

General Liability

COMMERCIAL GENERAL LIABILITY

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- (d) Becomes known to an insured listed under Paragraph 1. of Section II – Who Is An Insured, or to an "employee" authorized by you to give or receive notice of any "occurrence" or claim, and is reported to us, within 30 days after its abrupt commencement; and
 - (e) Does not arise out of any intentional violation of any governmental law, regulation or rule by you or anyone acting on your behalf; or
- (2) "Bodily injury" or "property damage" arising only out of the discharge, release or escape of any "pollutant" if such discharge, release or escape:
- (a) Is caused by the use of, or transporting, handling or storage for the use of, such "pollutant" in the providing of, or training for the providing of, fire fighting or emergency response services by you or on your behalf;
 - (b) Commences abruptly during the policy period and after the effective date of Amendment – Pollution Exclusion – Including Limited Pollution Costs Liability Coverage – Public Entities Or Indian Tribes – Sewage Back-Up Coverage Included endorsement;
 - (c) Ends within seven consecutive days after its abrupt commencement;
 - (d) Becomes known to an insured listed under Paragraph 1. of Section II – Who Is An Insured, or to an "employee" authorized by you to give or receive notice of any "occurrence" or claim, and is reported to us, within 30 days after its abrupt commencement; and
 - (e) Does not arise out of any intentional violation of any governmental law, regulation or rule by you or anyone acting on your behalf.

All "bodily injury" or "property damage" described in Paragraph (1) or (2) above of this exception will be deemed to occur at the time such discharge, release or escape abruptly commences.

Paragraphs (1)(a), (b), (d) and (e) of this exclusion do not apply to "bodily injury" or "property damage" arising only out of the discharge, release or escape of chlorine, sodium hypochlorite or any other chemical at or from any premises, site or location which is owned, occupied or managed by, or rented or

loaned to, you during the policy period if such discharge, release or escape:

- (1) Is caused by the use of such chemical in sewage or water, or the transporting, handling or storage of that chemical for such use, as part of sewage treatment, water purification or swimming pool maintenance operations performed by you or on your behalf;
- (2) Commences abruptly during the policy period and after the effective date of Amendment – Pollution Exclusion – Including Limited Pollution Costs Liability Coverage – Public Entities Or Indian Tribes – Sewage Back-Up Coverage Included endorsement;
- (3) Ends within seven consecutive days after its abrupt commencement;
- (4) Becomes known to an insured listed under Paragraph 1. of Section II – Who Is An Insured, or to an "employee" authorized by you to give or receive notice of any "occurrence" or claim, and is reported to us, within 30 days after its abrupt commencement; and
- (5) Does not arise out of any intentional violation of any governmental law, regulation or rule by you or anyone acting on your behalf.

All "bodily injury" or "property damage" described in this exception will be deemed to occur at the time such discharge, release or escape abruptly commences.

Paragraph (1) of this exclusion does not apply to "bodily injury" or "property damage" arising only out of the discharge, release or escape of sewage into a building if such discharge, release or escape:

- (1) Is a back-up of sewage from any sewage treatment facility or sanitary sewer that is owned, occupied or managed by, or rented or loaned to, you during the policy period;
- (2) Commences abruptly during the policy period and after the effective date of the Amendment – Pollution Exclusion – Including Limited Pollution Costs Liability Coverage – Public Entities Or Indian Tribes – Sewage Back-Up Coverage Included endorsement;
- (3) Ends within seven consecutive days after its abrupt commencement; and

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- (4) Does not arise out of any intentional violation of any governmental law, regulation or rule by you or anyone acting on your behalf.

This exception does not apply if any of the "bodily injury" or "property damage" arises out of the "hazardous properties" of any "nuclear material" in the sewage. All "bodily injury" or "property damage" described in this exception will be deemed to occur at the time such discharge, release or escape abruptly commences. A separate limit of insurance applies to such "bodily injury" or "property damage" as described in Section III – Limits Of Insurance.

- 4. The following replaces Paragraph (2) of Exclusion f., Pollution, in Paragraph 2. of SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

(2) "Pollution costs".

- 5. The following replaces Exclusion n., Pollution-Related, in Paragraph 2. of SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY:

n. Pollution Costs

"Pollution costs".

- 6. The following is added to SECTION I – COVERAGES:

COVERAGE D – LIMITED COVERED POLLUTION COSTS LIABILITY

1. Insuring Agreement

- a. We will pay those sums that you become legally obligated to pay as "limited covered pollution costs" to which this insurance applies. We will have the right and duty to defend you against any "suit" seeking those "limited covered pollution costs". However, we will have no duty to defend you against any "suit" seeking "limited covered pollution costs" to which this insurance does not apply. We may at our discretion investigate any discharge, release or escape of "pollutants" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for "limited covered pollution costs" will be included within, and not in addition to, the limits of insurance that apply to Coverage A; and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B, medical expenses under Coverage C or "limited covered pollution costs" under Coverage D.

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 "limited covered pollution costs" only if the "pollutants" for which the "limited covered pollution costs" are incurred also cause "bodily injury" or "property damage" that:

(1) Is covered under Coverage A; and

(2) Is within an exception to Exclusion f. of Coverage A that requires the discharge, release or escape of "pollutants" to:

- (a) Commence abruptly during the policy period and after the effective date of the Amendment – Pollution Exclusion – Including Limited Pollution Costs Liability Coverage – Public Entities Or Indian Tribes – Sewage Back-Up Coverage Included endorsement;
- (b) End within seven consecutive days after its abrupt commencement; and
- (c) Not arise out of any intentional violation of any governmental law, regulation or rule by you or anyone acting on your behalf.

Such exception also may require the discharge, release or escape of "pollutants" to become known to an insured listed under Paragraph 1. of Section II – Who Is An Insured, or to an "employee" authorized by you to give or receive notice of any "occurrence" or claim, and be reported to us, within 30 days after its abrupt commencement.

2. Exclusion

This insurance does not apply to "limited covered pollution costs" which you are obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability that you

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would have to pay "limited covered pollution costs" in the absence of the contract or agreement.

7. The following is added to **SECTION II – WHO IS AN INSURED:**

Paragraph 3. is the only part of this section that applies to Section I – Coverage D. For the purposes of Coverage D, similar coverage as used in Paragraph 3. of this section includes any pollution liability coverage.

8. The following is added to **SECTION III – LIMITS OF INSURANCE:**

Subject to Paragraph 5. of Section III – Limits Of Insurance, the Sewage Back-Up Limit shown in the Schedule – Sewage Back-Up Limit is the most we will pay for the sum of:

- a. Damages under Coverage A; and
- b. Medical expenses under Coverage C; because of all "bodily injury" and "property damage" arising out of the discharge, release or escape of sewage into one or more buildings.

If no amount is shown for the Sewage Back-Up Limit in that schedule, that limit will be:

- a. \$50,000 Each Occurrence; or
- b. The amount you purchased for that coverage, if that amount is more than \$50,000.

For the purposes of any aggregate limit, the Each Occurrence Limit and the Sewage Back-Up Limit, "limited covered pollution costs" under Coverage D will be deemed to be damages because of "property damage" under Coverage A.

9. The following is added to Paragraph 3., **Legal Action Against Us**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

With respect to "limited covered pollution costs", 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 "limited covered pollution costs" from you; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

With respect to "limited covered pollution costs", a person or organization may sue us to recover on an agreed settlement or on a final judgment against you, but we will not be liable for "limited covered pollution costs" that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. As

used in this provision, an agreed settlement means a settlement and release of liability signed by us, by you and by the claimant or the claimant's legal representative.

10. The following is added to Paragraph 4., **Other Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

If valid and collectible other insurance is available to you for a loss we cover under Coverage D of this Coverage Part, this insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis.

We will have no duty under Coverage D to defend you against any "suit" if any other insurer has a duty to defend you against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to your rights against all those other insurers.

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 such other insurance.

11. The following is added to Paragraph 8., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

With respect to "limited covered pollution costs", if you have agreed in a contract or agreement to waive your rights of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of "limited covered pollution costs" incurred for a discharge, release or escape of "pollutants" that commences abruptly after the execution of the contract or agreement.

12. The following replaces the definition of "suit" in the **DEFINITIONS** Section:

"Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies, or in which "limited covered pollution costs" 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;

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- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent;
- c. An arbitration proceeding in which such "limited covered pollution costs" are claimed and to which you must submit or do submit with our consent; and
- d. Any other alternative dispute resolution proceeding in which such "limited covered pollution costs" are claimed and to which you submit with our consent.

13. The following is added to the DEFINITIONS Section:

"Hazardous properties", as used in the Amendment – Pollution Exclusion – Including Limited Pollution Costs Liability Coverage – Public Entities Or Indian Tribes – Sewage Back-Up Coverage Included endorsement, includes radioactive, toxic or explosive properties.

"Limited covered pollution costs":

- a. Means any cost or expense to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or assess the effects of, "pollutants".
- b. Does not include:
 - (1) Any punitive or exemplary damages, or the portion of any multiplied damage award that exceeds the amount multiplied;
 - (2) Any statutory or administrative fine or penalty;
 - (3) Any salary of, or benefit for, any of your "employees", any of your partners or members (if you are a partnership or joint venture), any of your managers (if you are a limited liability company), any of your trustees (if you are a trust), or any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture, limited liability company or trust);
 - (4) Any cost or expense for:
 - (a) The repair, replacement, enhancement, restoration or maintenance of any premises, site or location which is or was at any time owned, occupied or managed by, or rented or loaned to, you; or
 - (b) The prevention of injury to a person or damage to another's property;

- (5) Any cost or expense to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or assess the effects of, "pollutants", if such work or operations began while such "pollutants" are or were:

- (a) At any premises, site or location which is or was at any time owned, occupied or managed by, or rented or loaned to, you;
- (b) On or in personal property in your care, custody or control; or
- (c) At that particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it; or

- (6) Any cost or expense to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or assess the effects of, "pollutants" on or in any of your "employees", after the actual, alleged or threatened absorption, ingestion or inhalation of such "pollutants" by any of your "employees" arising out of and in the course of:

- (a) Employment by you; or
- (b) Performing duties related to the conduct of your business.

"Nuclear material", as used in the Amendment – Pollution Exclusion – Including Limited Pollution Costs Liability Coverage – Public Entities Or Indian Tribes – Sewage Back-Up Coverage Included endorsement, includes:

- a. "Source material", "special nuclear material" or "by-product material", which have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof; and
- b. Naturally occurring radioactive material, including radium, potassium, thorium or uranium.

"Pollution costs" means 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

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- b. Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
ISSUE DATE:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED ABUSE OR MOLESTATION LIABILITY COVERAGE – VERMONT

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE OF LIMITED ABUSE OR MOLESTATION LIABILITY LIMITS

Abuse Or Molestation Aggregate Limit	\$
Each Abuse Or Molestation Offense Limit	\$

PROVISIONS

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Abuse Or Molestation

"Bodily injury" arising out of any act of "abuse or molestation".

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGE B – PERSONAL INJURY AND ADVERTISING INJURY LIABILITY**:

Abuse Or Molestation

"Personal injury" arising out of any act of "abuse or molestation".

3. The following is added to **SECTION I – COVERAGES**:

LIMITED ABUSE OR MOLESTATION LIABILITY COVERAGE

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "personal injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "personal injury" to which this insurance does not apply. We may, at our discretion, investigate any "abuse or molestation offense" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under **Limited Abuse Or Molestation Liability Coverage**.

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 "bodily injury" or "personal injury" caused by an "abuse or molestation offense" arising out of your business but only if the "abuse or molestation offense" was committed in the "coverage territory" during the policy period. An "abuse or molestation offense" involving multiple, continuous, sporadic or related acts of "abuse or molestation" will be deemed to have been committed on the date the first of such acts is committed, regardless of when such acts are actually committed.

2. Exclusions

This insurance does not apply to:

a. Directed Or Knowingly Allowed Acts

"Bodily injury" or "personal injury" arising out of an "abuse or molestation offense" committed at the direction of the insured or that the insured knowingly allowed to happen.

b. Failure To Report

"Bodily injury" or "personal injury" arising out of a failure by the insured having knowledge of an act of "abuse or molestation" to comply with any applicable federal, state or local law, ordinance or regulation which requires the reporting of such act.

c. Known History

"Bodily injury" or "personal injury" arising out of the employment, or the use as a "volunteer worker", of a person who had a history of committing "abuse or molestation" of which the insured had knowledge:

- (1) Before or during that person's employment or use as a "volunteer worker"; and
- (2) Before that person committed the "abuse or molestation offense".

d. Known Prior Acts

"Bodily injury" or "personal injury" arising out of any act in an "abuse or molestation offense" if any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "abuse or molestation offense" or claim was aware of such act prior to the effective date of this **Limited Abuse Or Molestation Liability Coverage**.

e. Contractual Liability

"Bodily injury" or "personal injury" for which the insured has assumed 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 that the "bodily injury" or "personal injury" is caused by an "abuse or molestation offense" committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be

deemed to be damages because of "bodily injury" or "personal injury", provided that:

- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
- (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

f. Workers' Compensation And Similar Laws

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

g. Employer's Liability

"Bodily injury" to:

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

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

h. Access Or Disclosure Of Person's Confidential Or Personal Information

"Bodily injury" or "personal injury" arising out of any unauthorized access to or disclosure of any person's confidential or personal information committed by a person or organization other than:

- (1) Any person listed in Paragraph 1. of Section II – Who Is An Insured;
- (2) Any of your "employees" or "volunteer workers"; or

- (3) Any person acting as a student teacher as part of his or her educational requirements with you, if you are a public entity, college or school.

i. Employment-Related Practices

"Bodily injury" or "personal injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b), or (c) above is directed.

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

j. Coverage A Or Coverage B Exclusions Added By Endorsement

"Bodily injury" or "personal injury" excluded by any exclusion added to Coverage A or Coverage B by endorsement to this policy, except an Abuse Or Molestation exclusion.

4. The following is added to SECTION II – WHO IS AN INSURED:

None of the following is an insured for "bodily injury" or "personal injury" caused by an "abuse or molestation offense":

- a. Any person who committed the "abuse or molestation offense". However, with respect to:
 - (1) Any person listed in Paragraph 1. of Section II – Who Is An Insured;
 - (2) Any of your "employees" or "volunteer workers"; or
 - (3) Any person acting as a student teacher as part of his or her educational requirements with you, if you are a public entity, college or school;

we will reimburse you for the reasonable expenses that you incur to defend such person against any "suit" seeking damages for "bodily injury" or "personal injury" to which this insurance applies caused by an "abuse or molestation offense" if a final, non-appealable adjudication in any judicial proceeding establishes that such person did not commit such "abuse or molestation offense".

- b. Any person or organization that has been added to your policy as an additional insured, or any employee, leased worker, agent, representative or volunteer worker of such person or organization.

However, if you have agreed in a written contract or agreement to include such person or organization as an additional insured on this Coverage Part, such person or organization is an insured, but only with respect to liability for "bodily injury" or "personal injury" caused by an "abuse or molestation offense" that:

- (1) Is committed subsequent to the signing of that contract or agreement; and
- (2) Arises out of your business. The person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.

The insurance provided to such person or organization is subject to the following provisions:

- (1) The limits of insurance provided to such person or organization will be the

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minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Schedule Of Limited Abuse Or Molestation Liability Limits, whichever are less.

- (2) The insurance provided to such person or organization does not apply to any "bodily injury" or "personal injury" caused by an "abuse or molestation offense" committed after the contract or agreement expires.

c. Any of your independent contractors, or any employee, leased worker, agent, representative or volunteer worker of such independent contractor.

5. The following is added to **SECTION III – LIMITS OF INSURANCE:**

The Abuse Or Molestation Aggregate Limit shown in the Schedule Of Limited Abuse Or Molestation Liability Limits is the most we will pay for the sum of all damages under **Limited Abuse Or Molestation Liability Coverage**. This limit is in addition to, and not included within, the General Aggregate Limit set forth in Paragraph 2. of Section III – Limits Of Insurance.

Subject to the Abuse Or Molestation Aggregate Limit, the Each Abuse Or Molestation Offense Limit shown in the Schedule Of Limited Abuse Or Molestation Liability Limits is the most we will pay under **Limited Abuse Or Molestation Liability Coverage** for the sum of all damages because of "bodily injury" and "personal injury" arising out of any one "abuse or molestation offense". This limit is in addition to, and not included within, the Each Occurrence Limit set forth in Paragraph 5. of Section III – Limits Of Insurance and the Personal and Advertising Injury Limit set forth in Paragraph 4. of Section III – Limits Of Insurance.

6. The following is added to Paragraph 4. of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

If valid and collectible other insurance is available to the insured for a loss we cover under **Limited Abuse Or Molestation Liability Coverage**, this insurance for **Limited Abuse Or Molestation Liability Coverage** is primary. However, this insurance for **Limited Abuse Or Molestation Liability Coverage** is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is an additional insured, or is any other insured that does not qualify as a named insured, under such other insurance.

If this insurance for **Limited Abuse Or Molestation Liability Coverage** 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 one of the following methods:

- (1) If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each provider of insurance contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.
- (2) If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, the share of each provider of insurance is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all providers of insurance.

When this insurance for **Limited Abuse Or Molestation Liability Coverage** is excess, we will have no duty under **Limited Abuse Or Molestation Liability Coverage** to defend the insured against any "suit" if any provider of other insurance has a duty to defend the insured against that "suit". If no provider of other insurance defends, we will undertake to do so, but we will be entitled to the insured's rights against all those providers of 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.

7. The following is added to the **DEFINITIONS** Section:

"Abuse or molestation" means any actual or threatened:

- a. Illegal or offensive act of a sexual nature committed by any person against any person who is:
 - (1) Under 18 years of age;
 - (2) Your student;
 - (3) Legally incompetent; or
 - (4) In the care, custody or control of any insured and is physically or mentally incapable of consenting to such act; or

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b. Illegal or offensive act of a non-sexual nature committed by any person who otherwise qualifies as an insured against any insured who is:

- (1) Under 18 years of age;
- (2) Your student;
- (3) Legally incompetent; or
- (4) In the care, custody or control of any insured and is physically or mentally incapable of consenting to such act.

"Abuse or molestation offense" means a single act of "abuse or molestation", or multiple,

continuous, sporadic or related acts of "abuse or molestation", committed by:

- a. One person; or
- b. Two or more persons acting together.

All such acts of "abuse or molestation" will be deemed to be one "abuse or molestation offense", regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

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

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

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- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" 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 that the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "bodily injury" or "property damage", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

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

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

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

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that

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is used to heat, cool or dehumidify the building, or produced by or originating from equipment that is used to heat water for personal use by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) If such "pollutants" are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed

to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are or were at any time performing operations 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

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- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization 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".

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) 50 feet long or less; and
 - (b) Not being used to carry any person 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;
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify as "mobile equipment" under the definition of "mobile equipment" if such land vehicle were not subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged; or

- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment"; or

(6) An aircraft that is:

- (a) Chartered with a pilot to any insured;
- (b) Not owned by any insured; and
- (c) Not being used to carry any person or property for a charge.

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" arising out of:

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

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

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- (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 "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and

accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

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

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

q. Unsolicited Communication

"Bodily injury" or "property damage" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

r. Access Or Disclosure Of Confidential Or Personal Information

"Bodily injury" or "property damage" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

s. Asbestos

- (1) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "bodily injury" or "property damage" is caused or contributed to by the hazardous properties of asbestos.

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(2) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "bodily injury" or "property damage" described in Paragraph (1) above.

(3) 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, asbestos, asbestos fibers or products containing asbestos; or

(b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

t. 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) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; 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 Paragraph (a), (b), or (c) above is directed.

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

Exclusions c. through n. do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III – Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

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This exclusion does not apply to "personal injury" caused by malicious prosecution.

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Or Used Prior To Policy Period

- (1) "Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material whose first publication took place before the beginning of the policy period; or
- (2) "Advertising injury" arising out of infringement of copyright, "title" or "slogan" in your "advertisement" whose first infringement in your "advertisement" was committed before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Because of "personal injury" assumed by you in a contract or agreement that is an "insured contract", provided that the "personal injury" is caused by an offense committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "personal injury", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party

against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

f. Breach Of Contract

"Advertising injury" arising out of a breach of contract.

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"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

"Advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Intellectual Property

"Personal and advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trademark;
- (6) Trade secret; or
- (7) Other intellectual property rights or laws.

This exclusion does not apply to:

- (1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or
- (2) Any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

j. Insureds In Media And Internet Type Businesses

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

- (1) Advertising, "broadcasting" or publishing;

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- (2) Designing or determining content of websites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a.(1), (2) and (3) of the definition of "personal injury".

For the purposes of this exclusion:

- (1) Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and
- (2) The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts or owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

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

neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury" arising out of:

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

p. Unsolicited Communication

"Personal and advertising injury" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

q. 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.

r. Asbestos

- (1) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "personal and advertising injury" is caused or contributed to by the hazardous properties of asbestos.
- (2) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "personal and advertising injury" described in Paragraph (1) above.
- (3) 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, asbestos, asbestos fibers or products containing asbestos; or

- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

s. Employment-Related Practices

"Personal injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b), or (c) above is directed.

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

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or

- (3) Because of your operations; provided that:
 - (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**
To any insured, except "volunteer workers".
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.
- d. **Workers' Compensation And Similar Laws**
To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. **Athletics Activities**
To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.
- f. **Products-Completed Operations Hazard**
Included within the "products-completed operations hazard".
- g. **Coverage A Exclusions**
Excluded under Coverage A.

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SUPPLEMENTARY PAYMENTS

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$2,500 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been

assumed by the insured in the same "insured contract";

- d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverages – Coverage A – Bodily Injury And Property Damage Liability or Paragraph 2.e. of Section I – Coverages – Coverage B – Personal And Advertising Injury Liability, such payments will not be deemed to be damages for "bodily injury", "property damage" or "personal injury", and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

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- a. We have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

- 2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

- (1) "Bodily injury" or "personal injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer

workers" while performing duties related to the conduct of your business;

- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide 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.

- (2) "Property damage" to property:
 - (a) Owned, occupied or used by;
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
 - you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization, while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.

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- 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.
- e. Any person or organization that, with your express or implied consent, either uses or is responsible for the use of a watercraft that you do not own that is:
 - (1) 50 feet long or less; and
 - (2) Not being used to carry any person or property for a charge.

- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

For the purposes of Paragraph 1. of Section II – Who Is An Insured, each such organization will be deemed to be designated in the Declarations as:

- a. An organization, other than a partnership, joint venture or limited liability company; or
- b. A trust;

as indicated in its name or the documents that govern its structure.

- 4. Any person or organization that is a premises owner, manager or lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" that:
 - a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and

- b. Arises out of the ownership, maintenance or use of that part of any premises leased to you.
- The insurance provided to such premises owner, manager or lessor is subject to the following provisions:

- a. The limits of insurance provided to such premises owner, manager or lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such premises owner, manager or lessor does not apply to:
 - (1) Any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after you cease to be a tenant in that premises; or
 - (2) Structural alterations, new construction or demolition operations performed by or on behalf of such premises owner, manager or lessor.

- 5. Any person or organization that is an equipment lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" that:
 - a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and
 - b. Is caused, in whole or in part, by your acts or omissions in the maintenance, operation or use of equipment leased to you by such equipment lessor.

The insurance provided to such equipment lessor is subject to the following provisions:

- a. The limits of insurance provided to such equipment lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such equipment lessor does not apply to any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after the equipment lease expires.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint

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venture or limited liability company that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Section II – Who Is An Insured.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and "advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C;

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "premises damage" to any one premises. The Damage To Premises Rented To You Limit will be:

- a. The amount shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part; or
 - b. \$300,000 if no amount is shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. **Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.
2. **Duties In The Event Of Occurrence, Offense, Claim Or Suit**
 - a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
 - b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
 - c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

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- (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.
- e. The following provisions apply to Paragraph a. above, but only for purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II – Who Is An Insured:
- (1) Notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known to you (if you are an individual), any of your partners or members who is an individual (if you are a partnership or joint venture), any of your managers who is an individual (if you are a limited liability company), any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture, or limited liability company), any of your trustees who is an individual (if you are a trust) or any "employee" authorized by you to give notice of an "occurrence" or offense.
 - (2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by:
 - (a) Any individual who is:
 - (i) A partner or member of any partnership or joint venture;
 - (ii) A manager of any limited liability company;

(iii) An executive officer or director of any other organization; or

(iv) A trustee of any trust;

that is your partner, joint venture member, manager or trustee; or

(b) Any employee authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an "occurrence" or offense.

(3) Notice to us of such "occurrence" or offense will be deemed to be given as soon as practicable if it is given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice to us of the "occurrence" or offense as soon as practicable after any of the persons described in Paragraph e.(1) or (2) above discovers that the "occurrence" or offense may result in sums to which the insurance provided under this Coverage Part may apply.

However, if this policy includes an endorsement that provides limited coverage for "bodily injury" or "property damage" or pollution costs arising out of a discharge, release or escape of "pollutants" which contains a requirement that the discharge, release or escape of "pollutants" must be reported to us within a specific number of days after its abrupt commencement, this Paragraph e. does not affect that requirement.

3. Legal Action Against Us

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

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

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

4. Other Insurance

If valid and collectible other insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as described in Paragraphs **a.** and **b.** below.

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies, except when the Non cumulation of Each Occurrence Limit provision of Paragraph **5.** of Section **III – Limits Of Insurance** or the Non cumulation of Personal and Advertising Injury Limit provision of Paragraph **4.** of Section **III – Limits of Insurance** applies because the Amendment – Non Cumulation Of Each Occurrence Limit Of Liability And Non Cumulation Of Personal And Advertising Injury Limit endorsement is included in this policy;
- (iii) Any risk retention group; or
- (iv) Any self-insurance method or program, in which case the insured will be deemed to be the provider of other insurance.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

As used anywhere in this Coverage Part, other insurer means a provider of other insurance. As used in Paragraph **c.** below, insurer means a provider of insurance.

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below, except when Paragraph **d.** below applies.

b. Excess Insurance

- (1) This insurance is excess over:
 - (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

- (ii) That is insurance for "premises damage";

- (iii) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to any exclusion in this Coverage Part that applies to aircraft, "autos" or watercraft;

- (iv) That is insurance available to a premises owner, manager or lessor that qualifies as an insured under Paragraph **4.** of Section **II – Who Is An Insured**, except when Paragraph **d.** below applies; or

- (v) That is insurance available to an equipment lessor that qualifies as an insured under Paragraph **5.** of Section **II – Who Is An Insured**, except when Paragraph **d.** below applies.

- (b) Any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is an additional insured, or is any other insured that does not qualify as a named insured, under such other insurance.

- (2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

- (b) The total of all deductible and self-insured amounts under all that other insurance.

- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

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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.

d. Primary And Non-Contributory Insurance If Required By Written Contract

If you specifically agree in a written contract or agreement that the insurance afforded to an insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such insured which covers such insured as a named insured, and we will not share with that other insurance, provided that:

- (1) The "bodily injury" or "property damage" for which coverage is sought occurs; and
- (2) The "personal and advertising injury" for which coverage is sought is caused by an offense that is committed;

subsequent to the signing of that contract or agreement by you.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

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2. "Advertising injury":
 - a. Means injury caused by one or more of the following offenses:
 - (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
 - (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light; or
 - (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".
 - b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
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, where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".
4. "Bodily injury" means:
 - a. Physical harm, including sickness or disease, sustained by a person; or
 - b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.
5. "Broadcasting" means transmitting any audio or visual material for any purpose:
 - a. By radio or television; or
 - b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
 - (1) Radio or television programming being transmitted;
 - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
 - (3) Advertising transmitted with any of such programming.
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 Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph a. above, or in a settlement we agree to.
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, bylaws or any other similar governing document.

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10. "Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.

11. "Hostile fire" means a fire which becomes uncontrollable or breaks out from where it was intended to be.

12. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

13. "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 "premises damage" 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 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" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle,

tracks, roadbeds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection, architectural or engineering activities.

14. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

15. "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".

16. "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;

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d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged. Such land vehicles are considered "autos".

17. "Occurrence" means:

- a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions; or

b. An act or omission committed in providing or failing to provide first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

18. "Personal and advertising injury" means "personal injury" or "advertising injury".

19. "Personal injury":

a. Means injury, other than "advertising injury", caused by one or more of the following offenses:

- (1) False arrest, detention or imprisonment;
- (2) Malicious prosecution;
- (3) 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, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
- (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
- (5) Oral or written publication, including publication by electronic means, of material that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light.

b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.

20. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

COMMERCIAL GENERAL LIABILITY

21. "Premises damage" means:

- a. With respect to the first paragraph of the exceptions in Exclusion j. of Section I – Coverage A – Bodily Injury And Property Damage Liability, "property damage" to any premises while rented to you for a period of seven or fewer consecutive days, including the contents of such premises; or
- b. With respect to the exception to Exclusions c. through n. in the last paragraph of Paragraph 2. of Section I – Coverage A – Bodily Injury And Property Damage Liability, "property damage" to any premises while rented to you for a period of more than seven consecutive days, or while temporarily occupied by you with permission of the owner, caused by:
 - (1) Fire;
 - (2) Explosion;
 - (3) Lightning;
 - (4) Smoke resulting from fire, explosion or lightning; or
 - (5) Water.

But "premises damage" under this Paragraph b. does not include "property damage" to any premises caused by:

- (1) Rupture, bursting, or operation of pressure relief devices;
- (2) Rupture or bursting due to expansion or swelling of the contents of any building or structure caused by or resulting from water; or
- (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines.

22. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your

contract calls for work at more than one job site.

- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

23. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will 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 will 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.

24. "Slogan":

- a. Means a phrase that others use for the purpose of attracting attention in their advertising.
- b. Does not include a phrase used as, or in, the name of:
 - (1) Any person or organization, other than you; or
 - (2) Any business, or any of the premises, goods, products, services or work, of any person or organization, other than you.

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- 25. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 26. "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.
- 27. "Title" means a name of a literary or artistic work.
- 28. "Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.
- 29. "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.
- 30. "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.
- 31. "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.

EMPLOYEE BENEFITS LIABILITY COVERAGE FORM

**THIS INSURANCE PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE FORM CAREFULLY.**

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

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

SECTION I – EMPLOYEE BENEFITS LIABILITY COVERAGE

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of loss 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 loss to which this insurance does not apply. We may, at our discretion, investigate any negligent 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 loss only if:

- (1) The loss is caused by a negligent act, error or omission committed by the insured, or by any other person for whose acts the insured is legally liable, in the "administration" of your "employee benefit program";
- (2) The negligent act, error or omission is committed in the "coverage territory";

(3) The negligent act, error or omission was committed on or after the Retroactive Date, if any, shown in the Declarations of this Coverage Part and before the end of the policy period; and

(4) A claim or "suit" for damages because of the loss is first made or brought against any insured, in accordance with Paragraph e. below, during the policy period or any Extended Reporting Period we provide under Section VI – Extended Reporting Periods.

c. Each negligent act, error or omission in a series of related negligent acts, errors or omissions will be deemed to have been committed on the date the first such negligent act, error or omission in that series is committed.

d. If the Retroactive Date is left blank in the Declarations of this Coverage Part, the Retroactive Date will be deemed to be the first day of the policy period.

e. A claim or "suit" seeking damages will be deemed to have been first made or brought at the earlier of the following times:

(1) When we or any insured first receives written notice of such claim or "suit", whichever comes first; or

(2) When we first receive written notice from any insured of a specific negligent act, error or omission that caused the loss which resulted in such claim or "suit".

All claims or "suits" that seek damages because of loss sustained by any one "employee", including the "employee's" dependents and beneficiaries, will be deemed

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to have been first made or brought at the time the first of those claims or "suits" is made or brought against any insured.

f. A claim or "suit" that seeks damages will be deemed to have been first made or brought at the time we receive written notice from any insured of a specific negligent act, error or omission only if that notice contains all of the following information:

- (1) How, when and where the negligent act, error or omission was committed;
- (2) A description of what happened;
- (3) A description of what damages may result;
- (4) The identity of the person or organization that may make a claim or bring a "suit"; and
- (5) The identity of each insured that committed the negligent act, error or omission.

Notice to us that any insured may in the future receive written notice of a negligent act, error or omission, claim or "suit" is not notice of a specific negligent act, error or omission.

2. Exclusions

This insurance does not apply to:

a. Criminal, Dishonest, Fraudulent Or Malicious Acts

Loss arising out of any criminal, dishonest, fraudulent, or malicious act, error or omission committed by any insured, including the willful or reckless violation of any law or regulation.

b. Injury Or Damage

"Bodily injury", "property damage", "personal injury" or "advertising injury."

c. Failure To Perform A Contract

Loss arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Loss 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 Or Advice Given With Respect To Participation

Any claim or "suit" 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

Loss 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

Loss for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as amended, or by any similar federal, state or local laws.

h. Available Benefits

Loss of 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

- (1) Any taxes, fines, or penalties, including those imposed under any provision of the Internal Revenue Code of 1986, as amended, or any similar state or local law; or
- (2) Any loss, cost or expense arising out of the imposition of such taxes, fines or penalties.

j. Employment-Related Practices

Loss to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practice or policy, such as coercion, demotion, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or

imprisonment applied to or directed at that person, regardless of whether such practice or policy occurs, is applied or is committed before, during or after the time of that person's employment; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of loss to that person at whom any of the employment-related practices or policies 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 loss.

k. Access Or Disclosure Of Confidential Or Personal Information

Loss arising out of any access or disclosure of any person's or organization's confidential or personal information.

3. Supplementary Payments

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. 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.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$500 a day because of time off from work.
- d. All costs taxed against the insured in the "suit."
- e. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we made 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.
- f. 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 also insureds, but only with respect to their liability 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", 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), who is or was authorized to administer your "employee benefit program."
- b. Any person or organization 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

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COMMERCIAL GENERAL LIABILITY

or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire, or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage under this provision does not apply to any negligent act, error or omission that was 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. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Section II – Who Is An Insured.

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 all negligent acts, errors or omissions 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, because of all negligent acts, errors or omissions committed in the "administration" of your "employee benefit program".

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that

case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – DEDUCTIBLE

1. The Deductible shown in the Declarations and the rules below fix the amount of damages incurred by, or on behalf of, you or any insured that you will be responsible for paying, 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".

If no amount is shown for the Deductible in the Declarations, the Deductible does not apply to this Coverage Part.

2. The Deductible applies to all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, because of all negligent acts, errors or omissions committed in the "administration" of your "employee benefit program".
3. The Limits of Insurance will not be reduced by the amount of damages within the deductible amount.
4. The terms of this policy, including those with respect to:
 - a. Our right and duty with respect to the defense of "suits"; and
 - b. Your duties in the event of an act, error or omission, claim or suit;apply irrespective of the application of the deductible amount.
5. If we settle a claim or "suit" for damages, or pay a judgment for damages awarded in a "suit", that are subject to a deductible, we may pay any part or all of the deductible amount. You will promptly reimburse us for such part of the deductible amount as we have paid.

SECTION V – EMPLOYEE BENEFITS 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.

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2. Duties In The Event Of Act, Error Or Omission, 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 was committed; and
 - (2) The names and addresses of any "employees" who may suffer loss caused by the act, error or omission.
- b. If a claim is made or "suit" is brought by 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 a "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 loss 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.
- e. The following provisions apply to Paragraph a. above, but only for purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II – Who Is An Insured:
 - (1) Notice to us of such act, error or omission must be given as soon as practicable only after the act, error or omission is known to you (if you are an individual), any of your partners or members who is an individual (if you are a partnership or joint

venture), any of your managers who is an individual (if you are a limited liability company), any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture, or limited liability company), any of your trustees who is an individual (if you are a trust) or any "employee" authorized by you to give notice of an act, error or omission.

- (2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such act, error or omission must be given as soon as practicable only after the act, error or omission is known by:
 - (a) Any individual who is:
 - (i) A lawfully elected or appointed official, executive officer or director of any public entity;
 - (ii) A partner or member of any partnership or joint venture;
 - (iii) A manager of any limited liability company;
 - (iv) An executive officer or director of any other organization; or
 - (v) A trustee of any trust;
 - (b) Any "employee" authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an act, error or omission.

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

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are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If valid and collectible other insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as described in Paragraphs a. and b. below.

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies;
- (iii) Any risk retention group; or
- (iv) Any self-insurance method or program, in which case the insured will be deemed to be the provider of other insurance.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations.

As used anywhere in this Coverage Part, other insurer means a provider of other insurance. As used in Paragraph b. below, insurer means a provider of insurance.

a. Primary Insurance

This insurance is primary. If any of the other insurance is also primary, we will share with all that other insurance by the method described in Paragraph 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.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or renewal in accordance with applicable insurance laws or regulations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage

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Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

10. Cancellation, Nonrenewal And Renewal Conditions Applicable To Commercial General Liability Coverage Part

All conditions relating to cancellation, nonrenewal or renewal that are included in any endorsement applicable to the Commercial General Liability Coverage Part attached to this policy also apply to this Coverage Part.

SECTION VI – EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if:

- a. This Coverage Part is cancelled or not renewed for any reason; or
- b. We renew or replace this Coverage Part with insurance that has a Retroactive Date later than the date shown in the Declarations.

2. The Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They only apply to claims or "suits" for loss caused by a negligent act, error or omission committed on or after the Retroactive Date shown in the Declarations and before the end of the policy period.

Once in effect, Extended Reporting Periods may not be canceled.

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 90 days.

The Basic Extended Reporting Period does not apply to claims or "suits" for loss covered under subsequent insurance you purchase, or that would be covered under such insurance but for the exhaustion of its applicable limit of insurance.

The Basic Extended Reporting Period does not reinstate or increase the limits of insurance.

4. A Supplemental Extended Reporting Period is available, but only by an endorsement and for an extra charge. This supplemental period starts with the end of the policy period and lasts for three years or an unlimited period of time, as set forth in the Supplemental Extended Reporting Period Endorsement. This supplemental period replaces the Basic Extended Reporting Period.

This Supplemental Extended Reporting Period will not go into effect unless we receive all of the following within 90 days after the end of the policy period and you have fulfilled all other duties, and complied with all other conditions and requirements, under this policy:

- a. A written request from you to purchase the Supplemental Extended Reporting Period;
- b. Full payment of the earned premium for this policy;
- c. Payment of the additional premium for the Supplemental Extended Reporting Period Endorsement; and
- d. Repayment of any deductible you owe us under this Coverage Part.

We will determine the additional premium for that endorsement in accordance with our rules and rates. The additional premium for the Supplemental Extended Reporting Period Endorsement will not exceed 200% of the annual premium for this policy.

This endorsement will set forth the terms, not inconsistent with this Section VI – Extended Reporting Periods, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims or "suits" first made or brought against any insured during such period is excess over any valid and collectible other insurance available under insurance in force after the Supplemental Extended Reporting Period starts.

The Supplemental Extended Reporting Period does not reinstate or increase the limits of insurance.

SECTION VII – DEFINITIONS

- 1. "Administration" means:
 - a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of the "employee benefit program";

COMMERCIAL GENERAL LIABILITY

- b. Handling records in connection with the "employee benefit program"; or
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program."

However, "administration" does not include handling payroll deductions.

2. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
3. "Advertising injury":
 - a. Means injury, other than "personal injury", caused by one or more of the following offenses:
 - (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
 - (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light; or
 - (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".

- b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.

4. "Bodily injury":
 - a. Means any harm, including sickness or disease, to the health of a person.
 - b. Includes mental anguish, injury or illness, or emotional distress.
5. "Cafeteria plan" means plans authorized by applicable law to allow "employees" to elect to pay for certain benefits with pre-tax dollars.
6. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico or Canada, provided that the insured's responsibility to pay damages is determined in a "suit" on the merits in the United States of America (including its territories and possessions), Puerto Rico or Canada, or in a settlement we agree to.
7. "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".
8. "Employee benefit program":
 - a. Means a program providing some or all of the following benefits to your "employees", whether provided through a "cafeteria plan" or otherwise:
 - (1) Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts, provided that no one other than your "employee" may subscribe to such benefits and such benefits are made generally available to all of those "employees" who satisfy the plan's eligibility requirements;
 - (2) Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than your "employee" may subscribe to such benefits and such benefits are made generally available to all of those "employees" who are eligible under the plan for such benefits;
 - (3) Unemployment insurance, social security benefits, workers' compensation and disability benefits;

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- (4) 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; and
 - (5) Any other similar benefits designated in the Declarations or added thereto by endorsement.
- b. Does not include any benefit plan or program described in Paragraph a. above that is self-insured.
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
11. "Personal injury":
- a. Means injury, other than "advertising injury", caused by one or more of the following offenses:
 - (1) False arrest, detention or imprisonment;
 - (2) Malicious prosecution;
 - (3) 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, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
 - (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
- (5) Oral or written publication, including publication by electronic means, of material that:
- (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light.
- b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
12. "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.
13. "Slogan":
- a. Means a phrase that others use for the purpose of attracting attention in their advertising.
 - b. Does not include a phrase used as, or in, the name of:
 - (1) Any person or organization, other than you; or
 - (2) Any business, or any of the premises, goods, products, services or work, of any person or organization, other than you.
14. "Suit" means a civil proceeding in which damages because of loss 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 submits with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
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.
16. "Title" means a name of a literary or artistic work.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION - WITH LIMITED EXCEPTION FOR BACTERIA IN SEWAGE BACK-UP

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

- 1. The following exclusion is added to Paragraph 2. of SECTION I - COVERAGES - COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

Fungi Or Bacteria

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

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

This exclusion also does not apply to any bacteria that are, or are in, sewage that has discharged, released or escaped into a building if the discharge, release or escape of that sewage is covered by an Amendment - Pollution Exclusion - Including Limited Pollution Costs Liability Coverage - Public Entities Or Indian Tribes endorsement included in this policy. A separate limit of insurance applies to such coverage as described in

that endorsement. This exception does not apply if the same claim or legal proceeding in which that discharge, release or escape of sewage is alleged also alleges any damages because of "bodily injury" or "property damage", or any loss, cost or expenses, involving "fungi" that is excluded by this exclusion.

- 2. The following exclusion is added to Paragraph 2. of SECTION I - COVERAGES - COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY:

Fungi Or Bacteria

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

- 3. The following is added to the DEFINITIONS Section:

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

XTEND ENDORSEMENT FOR PUBLIC ENTITIES

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- A. Owned Watercraft – 25 Feet Long Or Less
- B. Who Is An Insured – Public Entities, Elected Or Appointed Officials, And Members Of Your Boards
- C. Who Is An Insured – Employees And Volunteer Workers
- D. Who Is An Insured – Owners, Managers Or Lessors Of Premises
- E. Who Is An Insured – Lessors Of Leased Equipment
- F. Blanket Additional Insured – Persons Or Organizations For Your Ongoing Operations As Required By Written Contract Or Agreement
- G. Knowledge And Notice Of Occurrence Or Offense
- H. Blanket Waiver Of Subrogation
- I. Contractual Liability – Railroads
- J. Damage To Premises Rented To You

PROVISIONS

A. OWNED WATERCRAFT – 25 FEET LONG OR LESS

1. The following is added to Exclusion g., **Aircraft, Auto Or Watercraft**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

This exclusion does not apply to a watercraft you own that is:

- (a) 25 feet long or less; and
- (b) Not being used to carry any person or property for a charge.

2. The following is added to Paragraph 2. of **SECTION II – WHO IS AN INSURED**:

Any person or organization that, with your express or implied consent, either uses or is responsible for the use of a watercraft that you own that is:

- (1) 25 feet long or less; and
- (2) Not being used to carry any person or property for a charge.

B. WHO IS AN INSURED – PUBLIC ENTITIES, ELECTED OR APPOINTED OFFICIALS, AND MEMBERS OF YOUR BOARDS

1. The following is added to Paragraph 1. of **SECTION II – WHO IS AN INSURED**:

If you are designated in the Declarations as a public entity, you are an insured. Your lawfully elected or appointed officials, "executive officers" or directors are also insureds, but only with respect to their duties as your elected or appointed officials, "executive officers" or directors. Members of "your boards" are also insureds, but only with respect to their duties for you or "your boards". However, none of these officials, "executive officers", directors or members are insureds for:

- a. "Bodily injury" or "personal injury":
 - (1) To you or to any of your "employees" while in the course of his or her employment or performing duties related to the conduct of your business or to any of your "volunteer workers" while performing duties

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related to the conduct of your business;

- (2) To the spouse, child, parent, brother or sister of that "employee" or "volunteer worker" as a consequence of Paragraph a.(1) above;
- (3) To any fellow elected or appointed official, "executive officer" or director, or fellow member of "your boards";
- (4) To the spouse, child, parent, brother or sister of that fellow official, "executive officer", director or member as a consequence of Paragraph a.(3) above; or
- (5) 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 a.(1), (2), (3) or (4) above.

Unless you are in the business or occupation of providing "professional health care services", Paragraphs a.(1), (2), (3), (4) and (5) above do not apply to "bodily injury" arising out of providing or failing to provide:

- (1) First aid by any of your elected or appointed officials, "executive officers" or directors, or any members of "your boards", other than a doctor, nurse, nursing assistant, physician assistant, dental hygienist or assistant, optometrist, emergency medical technician, paramedic, coroner, physical therapist or physical therapy assistant, speech-language pathologist or speech therapy assistant, occupational therapist or occupational therapy assistant, psychologist, counselor, therapist, social worker or other health care professional; or
- (2) "Good Samaritan services" by any of your elected or appointed officials, "executive officers" or directors, or any members of "your boards", other than a doctor or nurse.

Any such elected or appointed officials, "executive officers" or directors providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be

acting within the scope of their duties for you. Any such members of "your boards" providing or failing to provide first aid or "Good Samaritan services" during their work hours for "your boards" will be deemed to be acting within the scope of their duties for you or "your boards".

- b. "Property damage" to property:
 - (1) Owned, occupied or used by;
 - (2) 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" or "volunteer workers", or that official, "executive officer", director or member.

Any of your lawfully elected or appointed officials, "executive officers", directors or members of "your boards" appointed at your request to serve with an outside tax-exempt entity will be deemed to be acting within the scope of their duties for you.

- 2. The following replaces the first sentence of Paragraph 1.d. of SECTION II – WHO IS AN INSURED:

An organization other than a public entity, partnership, joint venture or limited liability company, you are an insured.

- 3. The following is added to the DEFINITIONS Section:

"Indian tribe" means a tribe, band, pueblo, village or community of American Indians, or Alaska Natives, that has been recognized as an Indian tribe by the government of:

- a. The United States of America; or
- b. Any state in the United States of America.

"Joint powers authority" means any organization formed by two or more public entities, or by a public entity and one or more "Indian tribes", that have agreed in a contract or agreement to jointly exercise any power common to them.

"Your boards":

- a. Means any board, commission, or other governmental unit or department that:
 - (1) Is under your jurisdiction; and
 - (2) Is funded and operated as part of your total operating budget.

- b. Does not include any "joint powers authority".

C. WHO IS AN INSURED – EMPLOYEES AND VOLUNTEER WORKERS

- 1. The following replaces the first sentence of Paragraph 2.a. of **SECTION II – WHO IS AN INSURED**:

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 public entity, 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.

- 2. The following is added to Paragraph 2.a. of **SECTION II – WHO IS AN INSURED**:

Any of your "employees" appointed at your request to serve with an outside tax-exempt entity will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

D. WHO IS AN INSURED – OWNERS, MANAGERS OR LESSORS OF PREMISES

The following replaces Paragraph 4. of **SECTION II – WHO IS AN INSURED**:

- 4. Any person or organization that is a premises owner, manager or lessor is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" that arises out of the ownership, maintenance or use of that part of any premises leased or loaned to you.

The insurance provided to such premises owner, manager or lessor does not apply to:

- a. Any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after you cease to be a tenant in or to borrow that premises; or
- b. Structural alterations, new construction or demolition operations performed by or on behalf of such premises owner, manager or lessor.

E. WHO IS AN INSURED – LESSORS OF LEASED EQUIPMENT

The following replaces Paragraph 5. of **SECTION II – WHO IS AN INSURED**:

- 5. Any person or organization that is an equipment lessor is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions in the maintenance, operation or use by you of equipment leased to you by such equipment lessor.

The insurance provided to such equipment lessor does not apply to any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after the equipment lease expires.

F. BLANKET ADDITIONAL INSURED – PERSONS OR ORGANIZATIONS FOR YOUR ONGOING OPERATIONS AS REQUIRED BY WRITTEN CONTRACT OR AGREEMENT

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is not otherwise an insured under this Coverage Part and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" that:

- a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and
- b. Is caused, in whole or in part, by your acts or omissions in the performance of your ongoing operations to which that contract or agreement applies or the acts or omissions of any person or organization performing such operations on your behalf.

The limits of insurance provided to such insured will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.

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G. KNOWLEDGE AND NOTICE OF OCCURRENCE OR OFFENSE

The following replaces Paragraphs 2.e.(1) and 2.e.(2) of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

(1) Notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known to you (if you are an individual), any of your lawfully elected or appointed officials, "executive officers" or directors (if you are a public entity), any of your partners or members who is an individual (if you are a partnership or joint venture), any of your managers who is an individual (if you are a limited liability company), any of your "executive officers" or directors (if you are an organization other than a public entity, partnership, joint venture or limited liability company), any of your trustees who is an individual (if you are a trust) or any "employee" authorized by you to give notice of an "occurrence" or offense.

(2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by:

- (a) Any individual who is:
 - (i) A lawfully elected or appointed official, executive officer or director of any public entity;
 - (ii) A partner or member of any partnership or joint venture;
 - (iii) A manager of any limited liability company;
 - (iv) An executive officer or director of any other organization; or
 - (v) A trustee of any trust;
 that is your partner, joint venture member, manager or trustee; or

(b) Any employee authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an "occurrence" or offense.

H. BLANKET WAIVER OF SUBROGATION

The following is added to Paragraph 8., **Transfer Of Rights Of Recovery Against Others To Us**, of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

- a. "Bodily injury" or "property damage" that occurs; or
- b. "Personal and advertising injury" caused by an offense that is committed;

subsequent to the execution of the contract or agreement.

I. CONTRACTUAL LIABILITY – RAILROADS

1. The following replaces Paragraph c. of the definition of "insured contract" in the DEFINITIONS Section:

c. Any easement or license agreement;

2. Paragraph f.(1) of the definition of "insured contract" in the DEFINITIONS Section is deleted.

J. DAMAGE TO PREMISES RENTED TO YOU

The following replaces the definition of "premises damage" in the DEFINITIONS Section:

"Premises damage" means "property damage" to:

- a. Any premises while rented to you or temporarily occupied by you with permission of the owner; or
- b. The contents of any premises while such premises is rented to you, if you rent such premises for a period of seven or fewer consecutive days.

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POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
ISSUE DATE:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – LAW ENFORCEMENT ACTIVITIES OR OPERATIONS

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE – ADDITIONAL EXCLUDED LAW ENFORCEMENT ACTIVITIES OR OPERATIONS

PROVISIONS

1. The following exclusion is added to Paragraph 2., Exclusions, of SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

Law Enforcement Activities Or Operations

"Bodily injury" or "property damage" arising out of "law enforcement activities or operations".

If a Professional Health Care And Social Services Liability Coverage – Designated Professionals – Public Entities endorsement is included in this policy, this exclusion does not apply to "bodily injury" or "property damage" arising out of providing or failing to provide "described professional health care services" or "professional social services" by any "designated professional" acting within the scope of his or her duties for you as such "designated professional".

2. The following exclusion is added to Paragraph 2., Exclusions, of SECTION I – COVERAGES – COVERAGE B PERSONAL INJURY AND ADVERTISING INJURY LIABILITY:

Law Enforcement Activities Or Operations

"Personal injury" or "advertising injury" arising out of "law enforcement activities or operations".

If a Professional Health Care And Social Services Liability Coverage – Designated Professionals – Public Entities endorsement is included in this policy, this exclusion does not apply to "personal injury" or "advertising injury" arising out of providing or failing to provide "described professional health care services" or "professional social services" by any "designated professional" acting within the scope of his or her duties for you as such "designated professional".

3. The following is added to the DEFINITIONS Section:

"Law enforcement activities or operations":

a. Means:

- (1) Any of the official activities or operations of your police department or sheriff agency, including any moonlighting, secondary employment or extra-duty assignment approved by such department or agency;
- (2) Any of the official activities or operations of your juvenile detention center;

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- (3) Any of the official activities of your probation officers, parole officers, animal control officers or court security officers; or
- (4) Any of the official activities or operations of any person or organization shown in the Schedule – Additional Excluded Law Enforcement Activities Or Operations, if a person or organization is shown in such schedule.

b. Includes:

- (1) Ownership, maintenance or use of a premises that you own, rent or borrow in order to conduct such activities or operations, other than a premises that is not normally used for the conduct of such activities or operations;
- (2) Ownership or operation of any of your jails, penal institutions, detention centers or similar facilities;
- (3) Providing first aid; or
- (4) Providing school security

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – VIOLATION OF CONSUMER FINANCIAL PROTECTION LAWS

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Violation Of Consumer Financial Protection Laws

"Bodily injury" or "property damage" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "bodily injury" or "property damage" alleged in any claim or "suit" that also alleges any such violation.

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

Violation Of Consumer Financial Protection Laws

"Personal injury" or "advertising injury" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such violation.

3. The following is added to the **DEFINITIONS** Section:

"Consumer financial identity information" means any of the following information for a person that is used or collected for the purpose of serving as a factor in establishing such person's eligibility for personal credit, insurance or employment, or for the purpose of conducting a business transaction:

- a. Part or all of the account number, the expiration date or the balance of any credit, debit, bank or other financial account.
- b. Information bearing on a person's credit worthiness, credit standing or credit capacity.
- c. Social security number.
- d. Drivers license number.
- e. Birth date.

"Consumer financial protection law" means:

- a. The Fair Credit Reporting Act (FCRA) and any of its amendments, including the Fair and Accurate Credit Transactions Act (FACTA);
- b. California's Song-Beverly Credit Card Act and any of its amendments; or
- c. Any other law or regulation that restricts or prohibits the collection, dissemination, transmission, distribution or use of "consumer financial identity information".

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VERMONT CHANGES – EBL

This endorsement modifies insurance provided under the following:

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

The following replaces the term "spouse" wherever it appears in this Coverage Part:

Spouse or party to a civil union under Vermont law.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – PROFESSIONAL HEALTH CARE SERVICES – PUBLIC ENTITIES

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following exclusion is added to Paragraph 2., Exclusions, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Professional Health Care Services

"Bodily injury" or "property damage" arising out of providing or failing to provide "professional health care services".

This exclusion does not apply to "bodily injury" or "property damage" arising out of providing or failing to provide "professional health care services" by any of your "employees" or "volunteer workers", other than a nurse or doctor, acting within the scope of his or her duties for you as an emergency medical dispatcher or 911 operator.

Unless you are in the business or occupation of providing "professional health care services", this exclusion does not apply to "bodily injury" arising out of providing or failing to provide:

- (1) First aid by:
- (a) Any of your elected or appointed officials, "executive officers" or directors;
 - (b) Any members of "your boards";
 - (c) Any of your "employees" or "volunteer workers"; or
 - (d) Any person or organization that, with your express or implied consent, either uses or is responsible for the use of a watercraft to which Coverage A – Bodily Injury And Property Damage Liability applies;

other than a doctor, nurse, nursing assistant, physician assistant, dental hygienist or assistant, optometrist, emergency medical technician, paramedic, coroner, physical therapist or physical therapy assistant, speech-language pathologist or speech therapy assistant, occupational therapist or occupational therapy assistant, psychologist,

counselor, therapist, social worker or other health care professional; or

- (2) "Good Samaritan services" by:
- (a) Any of your elected or appointed officials, "executive officers" or directors;
 - (b) Any member of "your boards";
 - (c) Any of your "employees" or "volunteer workers"; or
 - (d) Any person or organization that, with your express or implied consent, either uses or is responsible for the use of a watercraft to which Coverage A – Bodily Injury And Property Damage Liability applies;

other than a doctor or nurse.

If a Professional Health Care And Social Services Liability Coverage – Designated Professionals – Public Entities endorsement is included in this policy, this exclusion does not apply to "bodily injury" or "property damage" arising out of providing or failing to provide "described professional health care services" by any "designated professional" acting within the scope of his or her duties for you as such "designated professional".

If a Psychological Counseling Professional Liability – Colleges And Schools endorsement is included in this policy, this exclusion does not apply to "bodily injury" or "property damage" arising out of providing or failing to provide "psychological counseling services".

If a School Counseling Professional Liability Coverage – Colleges And Schools endorsement is included in this policy, this exclusion does not apply to "bodily injury" or "property damage" arising out of providing or failing to provide emotional counseling service, treatment, advice or instruction as part of "school counseling services".

2. The following exclusion is added to Paragraph 2., Exclusions, of SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY:

Professional Health Care Services

"Personal and advertising injury" arising out of providing or failing to provide "professional health care services".

This exclusion does not apply to "personal injury" arising out of providing or failing to provide "professional health care services" by any of your "employees" or "volunteer workers", other than a nurse or doctor, acting within the scope of his or her duties for you as an emergency medical dispatcher or 911 operator.

If a Professional Health Care And Social Services Liability Coverage – Designated Professionals – Public Entities endorsement is included in this policy, this exclusion does not apply to "personal and advertising injury" arising out of providing or failing to provide "described professional health care services" by any "designated professional" acting within the scope of his or her duties for you as such "designated professional".

If a Psychological Counseling Professional Liability – Colleges And Schools endorsement is included in this policy, this exclusion does not apply to "personal and advertising injury" arising out of providing or failing to provide "psychological counseling services".

If a School Counseling Professional Liability Coverage – Colleges And Schools endorsement is included in this policy, this exclusion does not apply to "personal and advertising injury" arising out of providing or failing to provide emotional counseling service, treatment, advice or instruction as part of "school counseling services".

3. The following replaces the last paragraph of Paragraph 2.a.(1) of SECTION II – WHO IS AN INSURED:

Unless you are in the business or occupation of providing "professional health care services", Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide:

- (a) First aid by any of your "employees" or "volunteer workers", other than a doctor,

nurse, nursing assistant, physician assistant, dental hygienist or assistant, optometrist, emergency medical technician, paramedic, coroner, physical therapist or physical therapy assistant, speech-language pathologist or speech therapy assistant, occupational therapist or occupational therapy assistant, psychologist, counselor, therapist, social worker or other health care professional; or

- (b) "Good Samaritan services" by any of your "employees" or "volunteer workers", other than a doctor or nurse.

Any such "employees" or "volunteer workers" providing or failing to provide 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.

4. The following is added to the DEFINITIONS Section:

"Professional health care services" includes:

- a. Any medical, surgical, dental, laboratory, x-ray or nursing services, treatment, advice or instruction, or the related furnishing of food or beverages;
- b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- c. The handling or treatment of corpses, including autopsies, organ donations and other postmortem procedures;
- d. Any health or therapeutic service, treatment, advice or instruction;
- e. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- f. Any psychiatric, psychological or emotional counseling service, treatment, advice or instruction; and
- g. The service by any person as a member of a formal accreditation, standards review, peer review or equivalent professional board or committee or member of any professional organization or committee.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – PUBLIC USE OF PRIVATE PROPERTY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Public Use Of Private Property

"Bodily injury" or "property damage" arising out of the taking or controlling of private property for public use or benefit, including the diminution in value of such property, by condemnation, inverse condemnation, adverse possession, dedication by adverse use or any other method or proceeding.

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

Public Use Of Private Property

"Personal injury" or "advertising injury" arising out of the taking or controlling of private property for public use or benefit, including the diminution in value of such property, by condemnation, inverse condemnation, adverse possession, dedication by adverse use or any other method or proceeding.

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- (4) 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; and
 - (5) Any other similar benefits designated in the Declarations or added thereto by endorsement.
- b. Does not include any benefit plan or program described in Paragraph a. above that is self-insured.
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
11. "Personal injury":
- a. Means injury, other than "advertising injury", caused by one or more of the following offenses:
 - (1) False arrest, detention or imprisonment;
 - (2) Malicious prosecution;
 - (3) 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, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
 - (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
 - (5) Oral or written publication, including publication by electronic means, of material that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light.
- b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
12. "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.
13. "Slogan":
- a. Means a phrase that others use for the purpose of attracting attention in their advertising.
 - b. Does not include a phrase used as, or in, the name of:
 - (1) Any person or organization, other than you; or
 - (2) Any business, or any of the premises, goods, products, services or work, of any person or organization, other than you.
14. "Suit" means a civil proceeding in which damages because of loss 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 submits with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
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.
16. "Title" means a name of a literary or artistic work.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE C – MEDICAL PAYMENTS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

Section I – Coverage C Medical Payments does not apply and none of the references to it in the Coverage Part or any endorsements attached thereto apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – EMPLOYEES AND VOLUNTEER WORKERS
AS INSURED FOR CERTAIN BODILY INJURY,
PERSONAL INJURY AND PROPERTY DAMAGE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following replaces Paragraph 2.a.(1)(a) of **SECTION II – WHO IS AN INSURED**:
 - (1) "Bodily injury" or "personal 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 your elected or appointed officials, "executive officers", directors, or members of "your boards" (if you are a public entity), 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;
2. The following replaces Paragraph 2.a.(2) of **SECTION II – WHO IS AN INSURED**:
 - (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" or "volunteer workers", any of your partners or members (if you are a partnership or joint venture), any of your members (if you are a limited liability company), or any of your elected or appointed officials, "executive officers", directors, or members of "your boards" (if you are a public entity).

Public Entity

PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE FORM

**THIS INSURANCE PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE FORM CAREFULLY.**

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 Common Policy Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

The words "policy period" mean the Policy Period shown in the Declarations of this Coverage Part.

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

SECTION I - PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of loss to which this insurance applies. We will have the right and duty to defend the insured against any claim or "suit" seeking those damages. However, we will have no duty to defend the insured against any claim or "suit" seeking damages because of loss to which this insurance does not apply. We may, at our discretion, investigate any "wrongful act" or claim and settle any claim or "suit". 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.

We will have no other obligation or liability to pay sums or perform acts

or services unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to loss only if:

- (1) The loss is caused by a "wrongful act" committed while conducting duties by or on behalf of you or "your boards";
- (2) The "wrongful act" is committed in the "coverage territory";
- (3) The "wrongful act" was not committed before the Retroactive Date shown in the Declarations of this Coverage Part or after the end of the policy period; and
- (4) A claim or "suit" by a person or organization that seeks damages because of the loss is first made or brought against any insured, in accordance with Paragraph c. below, during the policy period or any Extended Reporting Period we provide under Section VI - Extended Reporting Periods.

- c. A claim or "suit" by a person or organization that seeks damages will be deemed to have been first made or brought against any insured at the earlier of the following times:

- (1) When we or any "described authorized person" first receives written notice of such claim or "suit", whichever is first; or
- (2) When we first receive written notice from any insured of a specific "wrongful act" that caused the loss which resulted in such claim or "suit".

All claims or "suits" that seek damages because of loss caused by the same "wrongful act" or "related wrongful acts" will be deemed to have been first made or brought against any insured at the time the first of those claims or "suits" is first made or brought against any insured.

- d. A claim or "suit" by a person or organization that seeks damages will

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PUBLIC ENTITY MANAGEMENT LIABILITY

be deemed to have been first made or brought at the time we receive written notice from any insured of a specific "wrongful act" only if that notice contains all of the following information:

- (1) How, when and where the "wrongful act" was committed;
- (2) The names and addresses of any persons or organizations sustaining loss, and the names and addresses of any witnesses;
- (3) The nature and location of any loss caused by the "wrongful act"; and
- (4) The names and addresses of each insured that committed the "wrongful act".

Notice to us that:

- (1) All or part of one or more of any insured's acts or omissions may in the future be discovered to be a "wrongful act"; or
- (2) Any insured may in the future receive written notice of a "wrongful act", claim or "suit";

is not notice of a specific "wrongful act".

- e. If no Retroactive Date is shown in the Declarations of this Coverage Part, the Retroactive Date will be deemed to be the first day of the policy period.
- f. Each "wrongful act" in a series of "related wrongful acts" will be deemed to have been committed on the date the first "wrongful act" in that series is committed.

2. Exclusions

This insurance does not apply to:

a. Boards, Commissions, Or Governmental Units Or Departments

Loss arising out of any activities or operations of the following boards, commissions, or governmental units or departments:

- (1) Airports;
- (2) Electric or gas utilities;
- (3) Health care facilities, including clinics, hospitals, nursing homes, rehabilitation facilities or blood banks;
- (4) Housing authorities;
- (5) Port authorities;

(6) Schools or school districts; or

(7) Transit authorities.

b. Breach Of Contract

Loss arising out of a breach of contract.

This exclusion does not apply to loss arising out of the breach of a mutual aid agreement.

c. Claims Or Suits By Insureds Against Insureds

Loss for which a claim is made or "suit" is brought by or on behalf of any current or former insured against any current or former insured.

d. Complaint Or Enforcement Action

Loss arising out of any complaint, enforcement action, claim or "suit" brought by or on behalf of any federal, state or local governmental regulatory or enforcement agency against any insured.

e. Contractual Liability

Loss 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 loss for which the insured would have liability for damages without the contract or agreement.

f. Criminal, Dishonest, Fraudulent, Or Malicious Wrongful Acts Or Knowing Violations Of Rights Or Laws

Loss arising out of any criminal, dishonest, fraudulent, or malicious "wrongful act", or any knowing violation of rights or laws, committed:

- (1) By the insured; or
- (2) With the consent or knowledge of the insured.

This exclusion does not apply to our duty to defend that insured until it has been determined or admitted in a legal proceeding that such "wrongful act" or knowing violation was committed:

- (1) By that insured; or
- (2) With the consent or knowledge of that insured.

g. Debt Financing

Loss arising out of any type of debt financing issued by you or on your behalf, including bonds, debentures, guarantees of debt or notes.

PUBLIC ENTITY MANAGEMENT LIABILITY

h. Employee Benefit Plans

Loss arising out of the administration of, the conduct of any fiduciary duty for, or the performance of or failure to perform any act or obligation related to any actual or proposed:

- (1) Benefit plan or trust;
- (2) Stock option, stock subscription or stock ownership plan; or
- (3) Compensation plan;

operated by you or on your behalf for the benefit of any current, former or prospective "employee" or "independent contractor".

i. Employment-Related Practices

"Employment loss" to:

- (1) A person arising out of a "wrongful employment practice offense"; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of loss described in Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be held liable as an employer or in any other capacity; and
- (2) Whether the insured may have any obligation to share damages with or repay someone else who must pay damages because of the loss.

j. Injunctive Relief

Any loss, cost or expense arising out of complying with any injunctive or other non-monetary relief or any agreement to provide such relief.

k. Injury Or Damage

"Bodily injury", "property damage", "personal injury" or "advertising injury".

l. Insurance

Loss arising out of the failure to obtain or maintain any type or amount of insurance, including any type of bond, self-insurance method or program, or any similar risk transfer or risk management method.

m. Intellectual Property

Loss arising out of any actual or alleged infringement or violation of any of the following rights or laws:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trade secret;
- (6) Trademark; or
- (7) Other intellectual property rights or laws.

n. Investments

Loss arising out of the purchase, sale, issuance or distribution of, or offer to purchase or sell, any debt or equity securities or other investments.

o. Known Wrongful Acts

Loss arising out of any "wrongful act", including any part of "related wrongful acts", that any "described authorized person" knew about before the first date we or any of our affiliated insurance companies have continuously provided this or similar coverage to you.

A "described authorized person" will be deemed to know about a "wrongful act" at the earliest time when such "described authorized person":

- (1) Reports all, or any part, of the "wrongful act" to us or any provider of other insurance;
- (2) Receives a written or verbal demand or claim for damages because of the "wrongful act"; or
- (3) Becomes aware by any other means that all, or any part, of the "wrongful act" has been committed.

p. Law Enforcement Activities Or Operations

Loss arising out of "law enforcement activities or operations".

This exclusion does not apply to harm to any of your current or former "independent contractors" in connection with their "independent contractor" status.

q. Multiplied Damages

The portion of any multiplied damage award that exceeds the amount multiplied.

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r. **Network And Information Security Liability**

Loss arising out of a "network and information security wrongful act".

s. **Nuclear Energy**

Loss arising out of the "hazardous properties" of "nuclear material".

t. **Pollution**

Loss arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".

u. **Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or "suit" by or on behalf of a governmental authority 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".

v. **Professional Health Care Services**

Loss arising out of providing or failing to provide "professional health care services".

w. **Sexual Harassment**

Loss arising out of any:

- (1) Unwelcome sexual advance;
- (2) Request for any sexual favor; or
- (3) Other verbal, visual or physical conduct of a sexual nature.

x. **Strikes, Riots, Demonstrations Or Civil Commotions**

Loss arising out of any strike, riot, protest, demonstration, lock-out or civil commotion.

y. **Taking Of Private Property For Public Use Or Benefit**

Loss arising out of the taking or controlling of private property for public use or benefit, including the diminution in value of such property, by condemnation, inverse condemnation, adverse possession, dedication by

adverse use or any other method or proceeding.

z. **Taxes**

Loss arising out of the improper administration or collection of taxes, or loss that reflects any tax obligation.

aa. **Unlawful Personal Gains**

Loss arising out of any insured's personal profit, advantage or compensation to which that insured is not legally entitled.

bb. **Workers' Compensation And Similar Laws**

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

SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim we are investigating, any claim or "suit" we settle or any claim or "suit" against an insured we are defending:

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 will not be the principal under these bonds, and we do not have to furnish these bonds.
3. All reasonable expenses incurred at our request by the insured who is an individual to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings of up to \$500 a day by that individual because of time off from work.
4. All costs taxed against the insured in the "suit", but only for that part of the judgment we pay.
5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
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. If we do not pay part of the judgment for any reason other than it is more than the applicable limit of insurance, we will not pay any interest that accrues on that portion of the judgment.

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7. The cost of any required appeal bond for any judgment that we appeal, but only for bond amounts for that part of the judgment that is for damages to which this insurance applies and which are within the applicable limit of insurance. We will pay, or reimburse the insured for, the cost of a higher appeal bond amount if we are required to do so under the law that applies. We will not be the principal under any appeal bond, and we do not have to furnish any appeal bond.

These payments will not reduce the limits of insurance.

Our duty to make such payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Common Policy Declarations as a public entity, you are an insured. "Your boards" are also insureds. Your lawfully elected or appointed officials, "executive officers" or directors are also insureds, but only with respect to their duties as your elected or appointed officials, "executive officers" or directors.
2. Each of the following is also an insured:
 - a. Your "volunteer workers", but only while performing duties related to the conduct of your business, and your "employees", but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
 - b. Members of "your boards", but only for the conduct of their duties for you or for "your boards". "Employees" of "your boards" are also insureds, but only for work done within the scope of their employment by "your boards", or their performance of duties related to the conduct of the operations of "your boards".
 - c. Any legal representative of an insured that has died, or become mentally incompetent, insolvent or bankrupt, but only with respect to duties as such. That representative will have all the rights and duties of such insured under this Coverage Part.
3. Any of your lawfully elected or appointed officials, "executive officers", directors or "employees", or any members of "your boards", appointed at your request to serve with an outside tax ex-

PUBLIC ENTITY MANAGEMENT LIABILITY

empt entity will be deemed to be acting within the scope of their duties for you.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations of this Coverage Part 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".

The limits of insurance will not be reduced by the payment of the applicable deductible amount.

2. The Aggregate Limit is the most we will pay for the sum of all damages for the combined total of all claims or "suits" for loss.

If no amount is shown for the Aggregate Limit in the Declarations of this Coverage Part, the Aggregate Limit will be the higher of the Each Wrongful Act Limit or \$100,000.

3. Subject to Paragraph 2. above, the Each Wrongful Act Limit is the most we will pay for the sum of all damages for all claims or "suits" for loss caused by the same "wrongful act" or "related wrongful acts".

The limits of insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed to be part of the last preceding annual or remaining period for the purposes of determining the limits of insurance.

SECTION IV - DEDUCTIBLE

1. The Each Wrongful Act Deductible shown in the Declarations of this Coverage Part and the rules below fix the amount of damages and "defense expenses" incurred by, or on behalf of, you or any insured that you will be responsible for paying, regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

The Each Wrongful Act Deductible does not apply to payments we make under

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Supplementary Payments, other than "defense expenses".

2. The Each Wrongful Act Deductible applies to all damages and "defense expenses" for all claims or "suits" for loss caused by the same "wrongful act" or "related wrongful acts".
3. The applicable limits of insurance will not be reduced by the amount of any damages or "defense expenses" within the deductible amount.
4. The terms of this policy, including those with respect to:
 - a. Our right and duty with respect to the defense of claims or "suits"; and
 - b. Your duties in the event of a "wrongful act", claim or "suit";apply irrespective of the application of the deductible amount.
5. If we settle a claim or "suit" for damages, or pay a judgment for damages awarded in a "suit", that are subject to a deductible, we may pay any part or all of the deductible amount. You will promptly reimburse us for such part of the deductible amount as we have paid.
6. If we pay "defense expenses" that are subject to a deductible, you will promptly reimburse us for such part of the deductible amount as we have paid.
7. If you do not reimburse us for a deductible amount that applies to damages or "defense expenses", and we are awarded the deductible amount we sought, or any part of that amount, in any legal proceeding against you, you agree to pay us the amount of the award and the following:
 - a. "Our deductible recovery expenses"; and
 - b. Interest, from the date of our notice of payment to you, on the deductible amount awarded to us.

SECTION V - PUBLIC ENTITY MANAGEMENT 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 A Wrongful Act, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of a "wrongful act" which may result in a

claim. To the extent possible, notice should include:

- (1) How, when and where the "wrongful act" was committed;
 - (2) The names and addresses of any persons or organizations sustaining loss, and the names and addresses of any witnesses;
 - (3) The nature and location of any loss caused by the "wrongful act"; and
 - (4) The names and addresses of each insured that committed the "wrongful act".
- b. If a claim or "suit" is made or 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 claim or "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 loss 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.
- e. The following provision applies to Paragraph a. above, but only for the purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II - Who Is An Insured: Notice to us of such "wrongful act" must be given as soon as practicable only after the "wrongful act" is

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known by you or any "described authorized person".

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. As used in this provision, an agreed settlement means a settlement and release of liability signed by us, by the insured and by the claimant or the claimant's legal representative.

4. Other Insurance

If valid and collectible other insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as described in Paragraphs a. and b. below.

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies;
- (iii) Any risk retention group;
- (iv) Any self-insurance method or program, including any failure to buy insurance, or decision to not buy insurance, for any reason, in which case the insured will be deemed to be the provider of other insurance; or
- (v) Any similar risk transfer or risk management method.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If any other insurance is also primary,

PUBLIC ENTITY MANAGEMENT LIABILITY

we will share with all that other insurance by the method described in Paragraph c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to "your boards", members of "your boards" or "employees" of "your boards".

When this insurance is excess, we will have no duty to defend the insured against any claim or "suit" if any provider of other insurance has a duty to defend the insured against that claim or "suit". If no provider of other insurance defends, we will undertake to do so, but we will be entitled to the insured's rights against all those providers of other insurance.

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 such other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision.

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 provider of insurance 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, the share of each provider of insurance is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all providers of insurance.

5. Premium Computation

We will compute all premiums for this Coverage Part in accordance with our rules and rates.

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6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

7. Separation Of Insureds

Except with respect to the limits of insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured shown in the Common Policy Declarations, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover from others all or part of any payment we have made under this Coverage Part in connection with a claim or "suit", 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 initiate an alternative dispute resolution proceeding to enforce those rights, or will transfer those rights to us and help us enforce them.

We will apply any amounts recovered in enforcing those rights of recovery in the following order:

- a. First, we will reimburse any person or organization (including us or the insured) any amount that person or organization has paid in excess of the limits of insurance.
- b. Then, if there is any amount remaining, we will retain an amount equal to the amount we have paid under this Coverage Part in connection with the claim or "suit".

- c. Finally, if there is any amount remaining, we will pay that amount to the insured, including any amounts within any applicable deductible or self-insured retention.

If any amounts are recovered in enforcing those rights of recovery, reasonable expenses incurred in enforcing such rights will be shared among all persons or organizations receiving amounts recovered. Each such person's or organization's share of those expenses is based on the ratio of its amount recovered to the total amounts recovered by all such persons or organizations in enforcing such rights.

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of loss caused by a "wrongful act" committed subsequent to the execution of the contract or agreement.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Common Policy Declarations written notice of the nonrenewal not less than 30 days before the end of the policy period.

If such notice is mailed, proof of mailing will be sufficient proof of such notice.

SECTION VI - EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if this Coverage Part is canceled or not renewed, or replaced or renewed by us with insurance that applies on other than a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims or "suits" for loss caused by a "wrongful act" committed before the end of the policy period and after the Retroactive Date.

Once in effect, Extended Reporting Periods may not be canceled.

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 90 days.

The Basic Extended Reporting Period does not apply to claims or "suits" that are covered under any future insurance

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you purchase, or that would be covered under such insurance but for the exhaustion of its applicable limit of insurance.

4. The Basic Extended Reporting Period does not reinstate or increase the limits of insurance.
5. A Supplemental Extended Reporting Period of 12 months is available, but only by an endorsement and for an extra charge. This supplemental period replaces the Basic Extended Reporting Period.

The Supplemental Extended Reporting Period will not go into effect unless we receive all of the following within 90 days after the end of the policy period and you have fulfilled all other duties, and complied with all other conditions and requirements, under this policy:

- a. A written request from you to purchase the Supplemental Extended Reporting Period Endorsement;
- b. Full payment of the earned premium for this policy;
- c. Payment of the additional premium for the Supplemental Extended Reporting Period Endorsement; and
- d. Repayment of any deductible you owe us under this policy.

We will determine the additional premium for that endorsement in accordance with our rules and rates. The additional premium will not exceed 75% of the annual premium for this Coverage Part.

This endorsement will set forth the terms, not inconsistent with this Section VI - Extended Reporting Periods, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims or "suits" first made or brought against any insured during such period is excess over any valid and collectible other insurance available under insurance in force after the Supplemental Extended Reporting Period starts.

6. The Supplemental Extended Reporting Period does not reinstate or increase the limits of insurance.

SECTION VII - 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

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or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Advertising injury" means injury, other than "personal injury", caused by one or more of the following offenses:

- a. Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
- b. Oral or written publication, including publication by electronic means, of material in your "advertisement" that:

- (1) Appropriates a person's name, voice, photograph or likeness;
- (2) Unreasonably places a person in a false light; or
- (3) Discloses information about a person's private life; or

- c. Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".

3. "Authorized user" includes your customer, supplier or supporter.

4. "Bodily injury" means:

- a. Physical harm, including sickness or disease, sustained by a person; or
- b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.

5. "Computer virus" means malicious code that is introduced through your web-site or "your computer or communications network". Once introduced, such code may destroy, alter, contaminate or de-

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grade the integrity, quality or performance of data of any computer application software, computer network, or computer operating system or related network.

6. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. All other countries or jurisdictions in the world except the "prohibited area"; or
- c. International waters or airspace, unless the "wrongful act" is committed in the course of travel or transportation to, from or within the "prohibited area";

provided that the insured's responsibility to pay damages is determined in a "suit" on the merits brought in the territory described in Paragraph a. above or in a settlement we agree to.

7. "Defense expenses":

- a. Means any of the following fees, costs or expenses which can be directly allocated to a particular claim or "suit":
 - (1) Fees of attorneys, or other authorized representatives where permitted, for legal services, whether by outside or staff representatives; or
 - (2) Court, alternative dispute resolution and other specific items of expense, whether incurred by an outside vendor or by one of our employees, including:
 - (a) Expert testimony;
 - (b) Autopsy;
 - (c) Witnesses and summonses;
 - (d) Copies of documents such as birth and death certificates and medical treatment records;
 - (e) Arbitration fees;
 - (f) Fees or costs for surveillance or other professional investigations which are conducted as part of handling of a claim or "suit"; and
 - (g) Fees or costs for loss prevention and engineering personnel for services which are conducted as part of handling of a claim or "suit".

b. Does not include:

- (1) Our expenses, including salaries, overhead and traveling expenses of our employees, except for those fees, costs or expenses described in Paragraphs a.(1) and a.(2) above incurred while handling a claim or "suit"; or
- (2) Fees paid to independent claims professionals or attorneys (hired to perform the function of claim investigation normally performed by claim adjusters), for developing and investigating a claim so that a determination can be made of the cause or extent of, or responsibility for, the loss, including evaluation and settlement of covered claims.

8. "Described authorized person" means:

- a. Any of your elected or appointed officials, "executive officers" or directors;
- b. Any member of "your boards"; or
- c. Your risk manager, or any leader of your legal, finance, risk management or other department that is responsible for insurance matters.

9. "Discrimination" means any violation of a person's rights with respect to:

- a. That person's race, color, national origin, religion, gender, marital status, age, sexual orientation, or physical or mental disability;
- b. Any other class or characteristic afforded rights under any federal, state, or local law, rule, or regulation.

10. "Employee" includes a "leased worker". "Employee" does not include a prisoner employed by any insured.

11. "Employment loss" means:

- a. Employment-related harm to any of your current, former or prospective "employees";
- b. Harm to any of your current, former or prospective "volunteer workers" in connection with their "volunteer worker" status; or
- c. Harm to any of your current or former "independent contractors" in connection with their "independent contractor" status.

12. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-

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laws or any other similar governing document.

- 13. "Harassment" means any unwelcome sexual advance, request for any sexual favor, or other verbal, visual or physical conduct of a sexual or non-sexual nature, when such conduct:
 - a. Is connected to a decision affecting a person's job performance for you or a person's performance of duties related to the conduct of your business;
 - b. Interferes with a person's job performance for you or a person's performance of duties related to the conduct of your business; or
 - c. Creates an intimidating, hostile, or offensive working environment affecting a person's job performance for you or a person's performance of duties related to the conduct of your business.
- 14. "Hazardous properties" includes radioactive, toxic or explosive properties.
- 15. "Independent contractor" means any person who is not the insured's "employee" or "volunteer worker", but who performs duties related to the conduct of the insured's business because of a contract or agreement between the insured and that person for specified services.
- 16. "Joint powers authority" means any organization formed by two or more public entities that have agreed in a contract or agreement to jointly exercise any power common to them.
- 17. "Law enforcement activities or operations":
 - a. Means any of the official activities or operations of your police department, sheriff agency or other public safety organization, other than a fire district or department, that enforces the law and protects persons or property; and
 - b. Includes:
 - (1) Ownership, maintenance or use of a premises that you own, rent or borrow in order to conduct such activities or operations;
 - (2) Ownership or operation of any of your jails, penal institutions or similar facilities;
 - (3) Providing first aid at the time of an accident, crime or medical emergency;

- (4) Providing school security; and
- (5) "Moonlighting".

- 18. "Leased worker" means a person hired from a labor leasing firm under an agreement between the hirer and that firm to perform duties related to the conduct of the hirer's business.
- 19. "Moonlighting" means any secondary employment, or extra-duty assignment, approved by your police department, sheriff agency or other public safety organization that enforces the law and protects persons or property.
- 20. "Network and information security wrongful act" means any of the following committed by or on behalf of an insured in the conduct of your business:
 - a. Failure to prevent the transmission of a "computer virus".
 - b. Failure to provide any "authorized user" of your web-site or "your computer or communications network" with access to such website or such computer or communications network.
 - c. Failure to prevent unauthorized access to, or use of, electronic data containing private or confidential information of others.
- 21. "Nuclear material" means any of the following materials defined in the Federal Atomic Energy Act or any of its amendments:
 - a. Source material;
 - b. Special nuclear material; or
 - c. By-product material.
- 22. "Our deductible recovery expenses" means all fees, costs and expenses incurred by us and our attorneys to recover a deductible amount in a legal proceeding brought by us against you. But if the deductible amount awarded to us is less than the full amount of the deductible payment we sought, "our deductible recovery expenses" will be a proportional amount based on the ratio of the deductible amount awarded to the full amount of the deductible payment we sought.
- 23. "Personal injury" means injury, other than "advertising injury", caused by one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;

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- 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, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
 - d. Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
 - e. Oral or written publication, including publication by electronic means, of material that:
 - (1) Appropriates a person's name, voice, photograph or likeness;
 - (2) Unreasonably places a person in a false light; or
 - (3) Discloses information about a person's private life.
24. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
25. "Professional health care services" includes:
- a. Any medical, surgical, dental, laboratory, x-ray or nursing services, treatment, advice or instruction, or the related furnishing of food or beverages;
 - b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
 - c. The handling or treatment of corpses, including autopsies, organ donations and other postmortem procedures;
 - d. Any health or therapeutic service, treatment, advice or instruction;
 - e. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
 - f. Any psychiatric, psychological or emotional counseling service, treatment, advice or instruction; or
 - g. The service by any person as a member of a formal accreditation, standards review, peer review or equivalent professional board or committee or member of any professional organization or committee.
26. "Prohibited area" means any country or jurisdiction while any trade sanction, embargo or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction.
27. "Property damage" means:
- a. Physical damage to tangible property of others, including all resulting loss of use of that property; or
 - b. Loss of use of tangible property of others that is not physically damaged.
- For the purposes of this insurance, data, including information, facts or programs in any electronic or other format, is not tangible property.
28. "Related wrongful acts" means two or more "wrongful acts" that have as a common connection, tie or link any fact, circumstance, situation, event, transaction, cause, or series of related facts, circumstances, situations, events, transactions or causes.
29. "Retaliatory action" includes any action directed at any person that is in response to that person's:
- a. Exercising any legally afforded right;
 - b. Supporting in any way another person's exercise of any legally afforded right;
 - c. Participating in any strike or lockout;
 - d. Making any claim or "suit" against you or any other insured;
 - e. Testifying against you or any other insured in any legal proceeding;
 - f. Declining to perform any illegal or unethical act; or
 - g. Threatened or actual reporting of any illegal operations or activities actually or allegedly conducted within your business.
30. "Slogan" means a phrase that others use for the purpose of attracting attention in their advertising.

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31. "Suit" means a civil proceeding that seeks damages. "Suit" includes:
 - a. An arbitration proceeding that seeks damages and to which the insured must submit or submits with our consent; and
 - b. Any other alternative dispute resolution proceeding that seeks damages and to which the insured submits with our consent.
32. "Title" means a name of a literary or artistic work.
33. "Volunteer worker" means a person, other than a prisoner, who:
 - a. Is not acting within the scope of his or her employment as an "employee";
 - b. Donates his or her work; and
 - c. Is not paid a fee, salary or other compensation for that work.
34. "Wrongful act" means any act, error or omission.
35. "Wrongful employment practice offense" means any of the following offenses committed by or on behalf of an insured in the conduct of your business:
 - a. "Discrimination" against any of your current, former or prospective "employees" or "volunteer workers";
 - b. Wrongful termination of any of your current, former or prospective "employees" or "volunteer workers";
 - c. "Harassment" of any of your current, former or prospective "employees" or "volunteer workers", or current or former "independent contractors";

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- d. "Retaliatory action" against any or your current, former or prospective "employees" or "volunteer workers";
 - e. Wrongful, excessive, or unfair discipline of any of your current, former or prospective "employees" or "volunteer workers";
 - f. Wrongful hiring, supervision, or demotion of, or failure to promote, any of your current, former or prospective "employees" or "volunteer workers"; or
 - g. Misrepresentation to, or defamation, libel, slander, disparagement or invasion of privacy of, any of your current, former or prospective "employees" or "volunteer workers".
36. "Your boards":
- a. Means any board, commission, or other governmental unit or department that:
 - (1) Is under your jurisdiction; and
 - (2) Is funded and operated as part of your total operating budget.
 - b. Does not include any "joint powers authority".
37. "Your computer or communications network" means any computer or communications network that you rent, lease, license, or borrow from others, own or operate.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VERMONT MANDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:
PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART

PROVISIONS

1. The following replaces Paragraph 2. of the **Cancellation** Common Policy Condition:

2. Cancellation Of Policies In Effect

a. For Less Than 60 Days

If this policy has been in effect for less than 60 days and this policy is not a renewal of a policy we issued, we may cancel this policy by:

- (1) Giving the first Named Insured at least 15 days notice prior to the cancellation date for nonpayment of premium or substantial increase in hazard; or
- (2) Mailing or delivering to the first Named Insured at least 45 days notice prior to the cancellation date for any other reason.

If cancellation is for nonpayment of premium, written notice may be sent by certificate of mailing or certified mail. If cancellation is for any reason other than nonpayment of premium, written notice must be sent by certified mail.

b. For 60 Days Or More

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

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation affecting this policy or in the presentation of claims under this policy;
- (3) Violation of any provisions of this policy; or
- (4) Substantial increase in hazard, provided we have secured approval for the cancellation

from the commissioner of insurance.

If we cancel this policy for one of the reasons specified in this Paragraph 2.b., we will cancel only in the following manner:

- (1) By giving at least 15 days notice before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) By mailing or delivering at least 45 days notice before the effective date of cancellation if we cancel for any other reason.

Written notice of cancellation, including the reason for cancellation, will be mailed or delivered to the first Named Insured at the first Named Insured's last mailing address known to us.

If cancellation is for nonpayment of premium, written notice may be sent by certificate of mailing or certified mail. If cancellation is for any reason other than nonpayment of premium, written notice must be sent by certified mail.

2. The following condition is added and supersedes any other provision to the contrary:

When We Do Not Renew

- 1. We may elect not to renew this policy by mailing, by certified mail, or delivering written notice of nonrenewal to the first Named Insured's last mailing address known to us. We will mail or deliver this notice at least 45 days before the:
 - a. Expiration of the policy;
 - b. Anniversary date of this policy if this policy has been written for a term of more than one year.

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- 2. This provision does not apply:
 - a. If we have indicated a willingness to renew;
 - b. In case of nonpayment of premium; or
 - c. If you do not pay any advance premium required by us for renewal.
- 3. If we fail to mail or deliver proper notice of nonrenewal, this policy will end on the effective date of any other policy with respect to property designated in both policies.

- 3. The following condition is added and supersedes any other provision to the contrary:

Renewal

- 1. If we:
 - a. Elect to renew this policy; and
 - b. Have the necessary information to issue a renewal policy;
 we will confirm in writing, at least 45 days before it expires, our intention to renew this policy and the premium at which this policy will be renewed.
- 2. If we do not comply with the provisions of Paragraph 1. above, you will have renewal coverage. The renewal coverage will be at the rates:
 - a. In effect under the expiring or expired policy; or
 - b. In effect on the expiration date, that have been approved by the Commissioner;
 whichever are lower. This renewal coverage will be on a pro rata basis and will continue for 45 days after we confirm renewal coverage and premium. If you accept this renewal policy, this Paragraph 2. does not apply.

- 4. The following condition is added and supercedes any other provision to the contrary:

Statutory Liability

- 1. In addition to paying and satisfying judicial judgments rendered against the insured in consequence of claims to which this policy applies, we will protect the insured against the levy of executions issued on such judgments or claims against the insured.

- 2. We may, without the insured's consent, continue litigation after a judgment has been rendered with respect to the insured's legal liability under this policy for damages in a particular instance. In that event, no limitation of our liability will be valid where the matter of that litigation is concerned.

- 3. Any legal action against us to recover for loss under this policy must be brought within one year after the amount of loss is finally established. The amount of loss can be established only by:
 - a. Judicial judgment; or
 - b. An agreement between the parties involved with our written consent.

- 4. In the event of the insured's bankruptcy or insolvency, an injured person or claimant who has obtained a judgment against the insured may bring suit against us, provided:
 - a. The judgment was for damages covered by this policy; and
 - b. The suit is for damages in amounts no greater than the applicable limits of insurance of this policy.

- 5. Payment by the insured of any judicial judgment or claim for any of our liability under this policy will not deprive the insured of the right to bring action against us.

- 5. The following replaces the term "spouse" wherever it appears in the policy:
 - Spouse or party to a civil union under Vermont law.

- 6. Exclusion t., **Pollution**, in Paragraph 2. of **SECTION I - PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE** is deleted.

- 7. If your public entity management liability coverage is claims-made, the following replaces the third paragraph in Paragraph 5. of **SECTION VI - EXTENDED REPORTING PERIODS**

We will determine the additional premium for that endorsement in accordance with our rules and rates. The additional premium will not exceed 200% of the annual premium for this Coverage Part.

- 7. If your public entity management liability coverage is claims-made, the following replaces the third paragraph in Paragraph 5. of **SECTION VI - EXTENDED REPORTING PERIODS**

We will determine the additional premium for that endorsement in accordance with our rules and rates. The additional premium will not exceed 200% of the annual premium for this Coverage Part.

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8. If your public entity management liability coverage is claims-made, Paragraph 6. of **SECTION VI - EXTENDED REPORTING PERIODS** is deleted.
9. If your public entity management liability coverage is claims-made, the following is added to **SECTION VI - EXTENDED REPORTING PERIODS**

If the Supplemental Extended Reporting Period is in effect, we will provide the supplemental aggregate limit of insurance described below. But only for claims or "suits" for loss to which this insurance applies that are first made or

brought against any insured during the Supplemental Extended Reporting Period. The supplemental aggregate limit of insurance will be equal to the dollar amount shown in the Declarations of this Coverage Part in effect at the end of the policy period for the Aggregate Limit.

Paragraph 2. of Section III - Limits Of Insurance will be amended accordingly. The Each Wrongful Employment Practice Offense Limit shown in the Declarations of this Coverage Part will then continue to apply, as set forth in Paragraph 3. of Section III - Limits Of Insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF NETWORK AND INFORMATION SECURITY WRONGFUL ACT DEFINITION

This endorsement modifies insurance provided under the following:

PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART

1. The following replaces the definition of "network and information security wrongful act" in the **DEFINITIONS** Section:
"Network and information security wrongful act" means any of the following committed by or on behalf of an insured in the conduct of your business:
 - a. Failure to prevent the transmission of a "computer virus".
 - b. Failure to provide any "authorized user" of your web-site or "your computer or communications network" with access to such web-site or such computer or communications network.
 - c. Failure to prevent unauthorized access to, or use of, data containing private or confidential information of others.
 - d. Failure to provide notification of any actual or potential unauthorized access to, or use of, data containing private or confidential information of others as required by any "security breach notification law" that applies to you.
2. The following replaces the definition of "your computer or communications network" in the **DEFINITIONS** Section:
"Your computer or communications network" means any computer or communications network that you:
 - a. Rent, lease, license or borrow from others; or
 - b. Own or operate.
3. The following is added to the **DEFINITIONS** Section:
"Security breach notification law" means any law or regulation that requires an organization to notify persons that their nonpublic personal information was or may have been accessed or acquired without their authorization.

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POLICY NUMBER:

PUBLIC ENTITY MANAGEMENT LIABILITY
ISSUE DATE:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LAW ENFORCEMENT ACTIVITIES OR OPERATIONS DEFINITION

This endorsement modifies insurance provided under the following:
PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART

SCHEDULE - ADDITIONAL EXCLUDED LAW ENFORCEMENT ACTIVITIES OR OPERATIONS

PROVISIONS

The following replaces the definition of "law enforcement activities or operations" in the **DEFINITIONS** Section:

"Law enforcement activities or operations":

a. Means:

- (1) Any of the official activities or operations of your police department or sheriff agency, including any moonlighting, secondary employment or extra-duty assignment approved by such department or agency;
- (2) Any of the official activities or operations of your juvenile detention center;
- (3) Any of the official activities of your probation officers, parole officers, animal control officers or court security officers; or

- (4) Any of the official activities or operations of any person or organization shown in the Schedule - Additional Excluded Law Enforcement Activities Or Operations, if a person or organization is shown in such schedule.

b. Includes:

- (1) Ownership, maintenance or use of a premises that you own, rent or borrow in order to conduct such activities or operations;
- (2) Ownership or operation of any of your jails, penal institutions, detention centers or similar facilities;
- (3) Providing first aid; or
- (4) Providing school security.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED SPECIAL EXPENSES COVERAGE - KEY EMPLOYEES

This endorsement modifies insurance provided under the following:
PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART

SCHEDULE - LIMITED SPECIAL EXPENSES

Limited Special Expenses Aggregate Limit	
Limited Special Expenses Participation Percentage	10%

PROVISIONS

1. The following is added to **SECTION I - PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE:**

COVERAGE - LIMITED SPECIAL EXPENSES

1. Insuring Agreement

a. We will reimburse you for "limited special expenses" to which this insurance applies that you incur to replace a "key employee". The amount we will pay for such "limited special expenses" is limited as described in Section III - Limits of Insurance.

b. This insurance applies to "limited special expenses" only if:

- (1) The "limited special expenses" are directly attributable to a "key employee event" that happens during the "endorsement period";
- (2) The "key employee event" is first reported to us in writing during the policy period or within 90 days after the end of the policy period; and
- (3) The "limited special expenses" are incurred by you and reported to us within one year of the date on which you reported the "key employee event" to us.

2. Exclusions

This insurance does not apply to:

a. **Boards, Commissions, Or Governmental Units Or Departments**

"Limited special expenses" arising out of any activities or operations of the following boards, commissions, or governmental units or departments:

- (1) Airports;
- (2) Electric utilities or gas utilities;
- (3) Health care facilities, including clinics, hospitals, nursing homes, rehabilitation facilities or blood banks;
- (4) Housing authorities;
- (5) Port authorities;
- (6) Schools or school districts; or
- (7) Transit authorities.

If an Amendment Of Coverage - Designated Boards, Commissions, Or Governmental Units Or Departments endorsement is included in this policy, this exclusion does not apply to any board, commission, or governmental unit or department shown in the Schedule Of Designated Boards, Commissions, Or Governmental Units Or Departments.

b. **Criminal, Dishonest, Fraudulent, Or Malicious Wrongful Acts Or Knowing Violations Of Rights Or Laws**

"Limited special expenses" arising out of any criminal, dishonest, fraudulent, or malicious "wrongful act", or any knowing violation of rights or laws, committed:

- (1) By the insured; or
- (2) With the consent or knowledge of the insured.

c. **Damages, Fines Or Penalties**

Any obligation or liability of any insured to pay damages, fines, penalties or other sums, other than "limited special expenses", arising out of a "key employee event".

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PUBLIC ENTITY MANAGEMENT LIABILITY

d. Nuclear Energy

"Limited special expenses" arising out of the "hazardous properties" of "nuclear material".

e. Strikes, Riots, Demonstrations Or Civil Commotions

"Limited special expenses" arising out of any strike, riot, protest, demonstration, lock-out or civil commotion.

f. War

"Limited special expenses" arising 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.

2. The following is added to the SUPPLEMENTARY PAYMENTS Section of SECTION I - PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE:

We will not pay any Supplementary Payment with respect to payments we make under Coverage - Limited Special Expenses.

3. The following is added to SECTION III - LIMITS OF INSURANCE:

Subject to Paragraph 2. of Section III - Limits Of Insurance, the Limited Special Expenses Aggregate Limit shown in the Schedule - Limited Special Expenses is the most we will pay for the sum of all "limited special expenses" that you incur as a result of all "key employee events" that happen during the "endorsement period" under Coverage - Limited Special Expenses.

If no amount is shown for the Limited Special Expenses Aggregate Limit in the Schedule - Limited Special Expenses, the Limited Special Expenses Aggregate Limit is \$25,000.

4. The following replaces SECTION IV - DEDUCTIBLE, but only for purposes of insurance provided under Coverage - Limited Special Expenses:

Limited Special Expenses	Participation Percentage
---------------------------------	---------------------------------

You will pay the Limited Special Expenses Participation Percentage, shown in the Schedule - Limited Special Expenses, of the "limited special expenses" that you incur for each "key employee event" that happens during the "endorsement period". The Limited Special Expenses Aggregate Limit applies excess of this participation percentage.

5. The following replaces Paragraph 2., Duties In The Event Of A Wrongful Act, Claim Or Suit, of SECTION V - PUBLIC ENTITY MANAGEMENT LIABILITY CONDITIONS, but only for purposes of insurance provided under Coverage - Limited Special Expenses:

2. Duties In The Event Of A Key Employee Event

- a. You must see to it that we are notified in writing as soon as practicable of a "key employee event". To the extent possible, notice should include:
 - (1) How, when and where the "key employee event" happened;
 - (2) The name, address, and position held by the "employee" or elected official involved in the "key employee event"; and
 - (3) The name, address and contact information of any outside employment search firm or outside advertisement agency that you hire or intend to hire to assist you in the search for a permanent replacement of a "key employee".
- b. In the event that you incur "limited special expenses" because of a "key employee event", a "described authorized person" must promptly send us a signed, sworn statement that contains an accounting of the "limited special expenses" and includes:
 - (1) The nature of the "limited special expenses" incurred by you;
 - (2) How, when and where such "limited special expenses" were incurred by you; and
 - (3) Receipts for all "limited special expenses" incurred by you.
- c. 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

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or your claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

- d. We may inspect and obtain records and other information proving the "limited special expenses". You must provide the information we request to investigate the claim. You must do this within 60 days after our request.
- e. You must cooperate with us in the investigation or settlement of any claim for "limited special expenses".
- f. You must 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 to which this insurance may also apply.

6. The following replaces the first and second paragraphs of Paragraph 4.b., **Excess Insurance**, of **SECTION V - PUBLIC ENTITY MANAGEMENT LIABILITY CONDITIONS**, but only for purposes of insurance provided under Coverage - **Limited Special Expenses**:

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured for loss we cover under Coverage - **Limited Special Expenses**.

7. The following replaces Paragraph 8., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION V - PUBLIC ENTITY MANAGEMENT LIABILITY CONDITIONS**, but only for purposes of insurance provided under Coverage - **Limited Special Expenses**:

If you have rights to recover all or part of any payment we have made under Coverage - **Limited Special Expenses**, those rights are transferred to us. You must do nothing to impair those rights. At our request, you will bring suit or initiate an alternative dispute resolution proceeding to enforce those rights, or will transfer those rights to us and help us enforce them.

We will apply any amounts recovered in enforcing those rights of recovery in the following order:

- (1) First, we will reimburse any person or organization (including us or you) any amount that person or organization has paid in excess of the **Limited Special Expenses Aggregate Limit** shown in the Schedule - **Limited Special Expenses**.

PUBLIC ENTITY MANAGEMENT LIABILITY

- (2) Then, if there is any amount remaining, we will retain an amount equal to the amount we have paid under Coverage - **Limited Special Expenses** in connection with the loss.
- (3) Finally, if there is any amount remaining, we will pay that amount to you, including any amounts within the participation percentage applicable to Coverage - **Limited Special Expenses**.

If any amounts are recovered in enforcing those rights of recovery, reasonable expenses incurred in enforcing such rights will be shared among all persons or organizations receiving amounts recovered. Each such person's or organization's share of those expenses will be based on the ratio of its amount recovered to the total amount recovered by all such persons or organizations in enforcing such rights. We will deduct each such person's or organization's share of those expenses from any amount we pay to such person or organization.

8. The following is added to the **DEFINITIONS** Section, but only for purposes of insurance provided under Coverage - **Limited Special Expenses**:

"Endorsement period" means:

- a. The policy period shown in the Declarations of this Coverage Part; or
- b. The period starting on the effective date shown in the policy change endorsement adding the Coverage - **Limited Special Expenses** to this policy and ending on the policy's expiration date, if such coverage has been added by endorsement during the policy period shown in the Declarations of this Coverage Part.

"Key employee" means any of the following persons who are less than 65 years of age when the "key employee event" happens:

- a. Any of your lawfully elected officials;
- b. Your lawfully appointed officials or "employees" who is:
 - (1) Your city manager or county manager;
 - (2) The head of your water utility or sewer utility;
 - (3) The head of your police department, sheriff agency or other public safety organization;
 - (4) The head of your fire district or department; or
 - (5) The head of your legal, finance or risk management department.

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"Key employee event":

a. Means:

- (1) The death of a "key employee"; or
- (2) A medically-confirmed sickness or disability of a "key employee" that prevents such person from fulfilling the required duties of his or her current position and results in such person's resignation or retirement.

b. Does not include:

- (1) The termination of a "key employee" by you for any reason;
- (2) The voluntary resignation of a "key employee" for any reason, other than as a result of a sickness or disability described in Paragraph **a.(2)** above;
- (3) The retirement of a "key employee" for any reason, other than as a result of a sickness or disability described in Paragraph **a.(2)** above;
- (4) The removal of a "key employee" from office or your employment by administrative or legal process; or
- (5) A "key employee's" temporary leave of absence.

"Legal representation costs" means any fees, costs or expenses for legal representation or legal services.

"Limited special expenses":

a. Means the following reasonable expenses actually and necessarily incurred by you to permanently replace a "key employee":

- (1) With respect to the hiring of a permanent replacement of a "key employee", the expenses incurred:
 - (a) To hire any outside employment search firm or outside advertisement agency; or
 - (b) For advertising, travel, temporary lodging, meals and car rental; or
- (2) With respect to a "special election" held to permanently replace an elected official, the expenses incurred:

(a) For polling premises, ballot machines, printing of ballots, ballot counting and public communications; or

(b) To hire "temporary workers" to conduct a "special election".

b. Does not include any:

- (1) Salaries, including overtime pay, except salaries of "temporary workers" hired to conduct a "special election";
- (2) Employee benefits or bonuses, including sign-on benefits or bonuses;
- (3) "Legal representation costs";
- (4) Expenses incurred for a recall election;
- (5) Expenses incurred to comply with any law or regulation, other than as a result of a "key employee event";
- (6) Expenses incurred for an election recount;
- (7) Expenses incurred to hire a "leased worker" or a "temporary worker", except a "temporary worker" hired to conduct a "special election";
- (8) Expenses incurred for entertainment or recreation;
- (9) Relocation expenses, including moving expenses, housing expenses, and rental or lease expenses; or
- (10) Expenses incurred as part of a general election, regardless of whether a "key employee" position is being filled during that general election as a result of a "key employee event".

"Special election" means any election held between scheduled general elections to fill a vacant elective position with an unexpired term when an elected official is unable to fulfill his or her duties due to a "key employee event".

"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.

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POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEFENSE EXPENSES REIMBURSEMENT FOR INJUNCTIVE RELIEF SUITS

This endorsement modifies insurance provided under the following:

PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART (CLAIMS-MADE)

SCHEDULE - INJUNCTIVE RELIEF DEFENSE EXPENSES REIMBURSEMENT

Defense Expenses Reimbursement Limit - Aggregate	\$	
Defense Expenses Reimbursement Limit - Each Wrongful Act	\$	
Injunctive Relief Each Wrongful Act Participation Amount		%

PROVISIONS

1. The following is added to Paragraph 1.a. of **SECTION I - PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE**:

We will reimburse you for reasonable "defense expenses" you incur to defend a "suit" seeking only injunctive or other non-monetary relief brought against any insured for loss to which this insurance applies. But:

- (1) The amount we will pay for such "defense expenses" is limited as described in Section III - Limits of Insurance; and
- (2) We will only reimburse you for such "defense expenses" after:
 - (a) A final settlement has been agreed to, or a final judgment has been awarded, in the "suit" seeking only injunctive or other non-monetary relief;
 - (b) The amount of such "defense expenses" you have incurred exceeds the Injunctive Relief Each Wrongful Act Participation Amount and the Defense Expenses Reimbursement Limit - Each Wrongful Act shown in the Schedule - Injunctive Relief Defense Expenses Reimbursement; or
 - (c) The "suit" seeking only injunctive or other non-monetary relief is amended to seek damages for loss to which this insurance applies.

We have the right, but not the duty, to defend the insured against any claim or "suit" seeking only injunctive or other non-monetary relief for loss to which this insurance applies. If we choose to

defend the insured against such claim or "suit", we will pay all expenses we incur for such defense. Such expenses are not subject to the Injunctive Relief Each Wrongful Act Participation Amount shown in the Schedule - Injunctive Relief Defense Expenses Reimbursement and will not reduce any Defense Expenses Reimbursement Limit shown in that schedule.

2. The following replaces Paragraph 1.b.(4) of **SECTION I - PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE**, but only for purposes of the coverage provided by this endorsement:
 - (4) A claim or "suit" by a person or organization that seeks only injunctive or other non-monetary relief for loss is first made or brought against any insured, in accordance with Paragraph c. below, during the policy period or any Extended Reporting period we provide under Section VI - Extended Reporting Periods.
3. The following replaces Paragraphs 1.c. and d. of **SECTION I - PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE**, but only for purposes of the coverage provided by this endorsement:
 - c. A claim or "suit" by a person or organization that seeks only injunctive or other non-monetary relief for loss will be deemed to have been first made or brought against any insured at the earlier of the following times:
 - (1) When we or any "described authorized person" first receives written notice of such claim or "suit", whichever is first; or

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PUBLIC ENTITY MANAGEMENT LIABILITY

(2) When we first receive written notice from any insured of a specific "wrongful act" that caused the loss which resulted in such claim or "suit".

All claims or "suits" that seek only injunctive or other non-monetary relief because of loss caused by the same "wrongful act" or "related wrongful acts" will be deemed to have been first made or brought against any insured at the time the first of those claims or "suits" is first made or brought against any insured.

d. A claim or "suit" by a person or organization that seeks only injunctive or other non-monetary relief will be deemed to have been first made or brought at the time we receive written notice from any insured of a specific "wrongful act" only if that notice contains all of the following information:

- (1) How, when and where the "wrongful act" was committed;
- (2) The names and addresses of any persons or organizations sustaining loss, and the names and addresses of any witnesses;
- (3) The nature and location of any loss caused by the "wrongful act"; and
- (4) The names and addresses of each insured that committed the "wrongful act".

Notice to us that:

- (1) All or part of one or more of any insured's acts or omissions may in the future be discovered to be a "wrongful act"; or
- (2) Any insured may in the future receive written notice of a "wrongful act", claim or "suit";

is not notice of a specific "wrongful act".

4. The following is added to **Exclusion j., Injunctive Relief**, in Paragraph 2. of **SECTION I - PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE**:

This exclusion does not apply to amounts we reimburse you for the reasonable "defense expenses" you incur to defend a "suit" seeking only injunctive or other non-monetary relief

brought against any insured.

5. The following is added to the **SUPPLEMENTARY PAYMENTS** Section of **SECTION I - PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE**:

For purposes of "suits" seeking only injunctive or other non-monetary relief, we will not pay any Supplementary Payments.

6. The following is added to **SECTION III - LIMITS OF INSURANCE**:

The Defense Expenses Reimbursement Limit - Aggregate shown in the Schedule - Injunctive Relief Defense Expenses Reimbursement is the most we will pay to reimburse you for all reasonable "defense expenses" incurred to defend all "suits" seeking only injunctive or other non-monetary relief.

Subject to the Defense Expenses Reimbursement Limit - Aggregate, the Defense Expenses Reimbursement Limit - Each Wrongful Act shown in the Schedule - Injunctive Relief Defense Expenses Reimbursement is the most we will pay to reimburse you for all reasonable "defense expenses" incurred to defend all "suits" seeking only injunctive or other non-monetary relief for loss caused by the same "wrongful act" or "related wrongful acts".

These limits of insurance apply over the Injunctive Relief Each Wrongful Act Participation Amount shown in the Schedule - Injunctive Relief Defense Expenses Reimbursement.

These limits of insurance are in addition to, and not included within, the Limits of Insurance shown in the Declarations of this Coverage Part.

7. **SECTION IV - DEDUCTIBLE** is deleted, but only for purposes of the coverage provided by this endorsement.

8. The following section is added, but only for purposes of the coverage provided by this endorsement:

INJUNCTIVE RELIEF EACH WRONGFUL ACT PARTICIPATION AMOUNT

The Injunctive Relief Each Wrongful Act Participation Amount shown in the Schedule - Injunctive Relief Defense Expenses Reimbursement is the amount of "defense expenses" that you incur and are responsible for paying to defend all "suits" seeking only injunctive or other

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non-monetary relief for loss caused by the same "wrongful act" or "related wrongful acts". The Defense Expenses Reimbursement Limit - Each Wrongful Act applies excess of this Injunctive Relief Each Wrongful Act Participation Amount.

If no amount is shown for the Injunctive Relief Each Wrongful Act Participation Amount in the Schedule - Injunctive Relief Defense Expenses Reimbursement, that amount will be \$1,000.

The Injunctive Relief Each Wrongful Act Participation Amount cannot be paid by any amounts paid under any self-insured retention or deductible that is part of this policy. Any such self-insured retention or deductible cannot be paid by any amount of "defense expenses" that you incur and are responsible for paying to defend claims or "suits" seeking only injunctive or other non-monetary relief.

9. The following is added to Paragraph 2.d., **Duties In The Event Of A Wrongful Act, Claim Or Suit**, of **SECTION V - PUBLIC ENTITY MANAGEMENT LIABILITY CONDITIONS**:

However, if we choose not to defend the insured against a claim or "suit" seeking only injunctive or other non-monetary relief, this paragraph does not apply to "defense expenses" that you incur to defend a claim or "suit" seeking only injunctive or other non-monetary relief brought against any insured.

10. The following is added to **SECTION V - PUBLIC ENTITY MANAGEMENT LIABILITY CONDITIONS**, but only for purposes of the coverage provided by this endorsement:

Requirements To Report "Defense Expenses" For Reimbursement

In the event that you incur "defense expenses" for a "suit" seeking only injunctive or other non-monetary relief, a "described authorized person" must send us a signed, sworn statement that contains an accounting of the "defense expenses" and includes:

- (1) How, when and where such "defense expenses" were incurred by you; and
- (2) Receipts, statements or other documentation for all "defense expenses" incurred by you.

The sworn statement must be sent to us as soon as practicable, but in no event more than 180 days, after:

- (1) A final settlement has been agreed to, or a final judgment has been awarded, in the "suit" seeking only injunctive or other non-monetary relief; or
- (2) The amount of such "defense expenses" exceeds the Injunctive Relief Each Wrongful Act Participation Amount and the Defense Expenses Reimbursement Limit - Each Wrongful Act.

11. The following replaces the definition of "suit" in **SECTION VII - DEFINITIONS**, but only for purposes of the coverage provided by this endorsement:

"Suit" means:

- a. A civil proceeding that seeks damages, including:
 - (1) An arbitration proceeding that seeks damages and to which the insured must submit or submits with our consent; and
 - (2) Any other alternative dispute resolution proceeding that seeks damages and to which the insured submits with our consent; or
- b. A civil proceeding that seeks only injunctive or other non-monetary relief.

12. The following is added to Paragraph b. of the definition of "defense expenses" in **SECTION VII - DEFINITIONS**, but only for purposes of the coverage provided by this endorsement:

"Defense expenses" also does not include:

- (1) Salaries, overhead or travel of any insured; or
- (2) Attorneys' fees of the person or organization making a claim or bringing a "suit" seeking only injunctive or other non-monetary relief if such fees are awarded, or paid in settlement, for such "suit".

Property

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DELUXE PROPERTY COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. REFER TO SECTION J. – DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

1. Covered Property

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

a. **Building(s)**, meaning the designated building or structure at the premises described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Foundations;
- (4) Glass that is a part of the building or structure;
- (5) Machinery and equipment permanently attached to the building or structure;
- (6) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings;
 - (d) Lobby and hallway furnishings owned by you;
 - (e) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
 - (f) Lawn maintenance and snow removal equipment;
 - (g) Heating, air conditioning and ventilation equipment; and

(h) Building systems and equipment including alarm, communication, security and monitoring devices; and

(7) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure; and

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

b. **Your Business Personal Property** located in or on the designated building or structure at the premises described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, consisting of the following unless otherwise specified in the Declarations:

- (1) Furniture and fixtures;
- (2) Machinery and equipment (including "electronic data processing equipment");
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy or lease but do not own; and

- (b) You acquired or made at your expense, but cannot legally remove;
 - (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise insured under Personal Property of Others; and
 - (8) Building glass that is not a tenant improvement and betterment but which, as a tenant, you are contractually required to insure under a written lease agreement.
- c. **Personal Property of Others** meaning others' personal property in your care, custody, or control that is located in or on the designated building or structure at the premises described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

However, our payment for loss of or damage to Personal Property of Others will only be for the account of the owner of the property.

- d. **Personal Property At Undescribed Premises** meaning Your Business Personal Property and Personal Property of Others in your care, custody or control that:
- (1) Is at "exhibition" premises located worldwide including while in transit to and from the "exhibition" premises provided that no trade sanction, embargo or similar regulation imposed by the United States of America prohibits us from covering the loss or damage;
 - (2) Is at installation premises or temporary storage premises while awaiting installation that you do not own, lease or regularly operate. This coverage applies only to such property that will or has become a permanent part of an installation project being performed for others by you or on your behalf. This coverage will end when any of the following first occurs:
 - (a) Your interest in the property ceases;
 - (b) The installation is accepted by the customer;

- (c) The installation is abandoned by you;
 - (d) The property is more specifically insured; or
 - (e) This policy is cancelled or expires, whichever occurs first; or
- (3) Is temporarily at any other premises not described in the Declarations, which you do not own, lease or regularly operate.

Coverage does not include Sales Representative Property as defined in Paragraph A.1.f. below.

- e. **Personal Property in Transit** as follows:
- (1) This coverage for Personal Property in Transit applies to:
 - (a) Your Business Personal Property; and
 - (b) Personal Property of Others; away from the described premises while in transit between points within the Coverage Territory.
 - (2) Unless a mode of transportation or type of shipment is specifically excluded in the Declarations or by endorsement, this coverage applies to property in transit being shipped by any type of carrier or vehicle.
 - (3) This coverage applies from the time the property leaves the premises where the shipment begins until the shipment arrives at its final destination. If the property is not delivered, we cover the return of the property to you, including while the property is temporarily held by the receiver or the carrier while awaiting return shipment to you.
 - (4) Subject to the Limit of Insurance that applies to the Personal Property in Transit coverage, we will also pay for:
 - (a) Any general average or salvage charges you incur as respects losses to covered waterborne shipments;
 - (b) Your interest in covered shipments sold Free On Board if you cannot collect payment for the loss or damage from the consignee; and

- (c) Loss of or damage to Covered Property resulting from the unintentional acceptance of any fraudulent Bill of Lading, order or shipping receipt by you, your employees or authorized representatives or by your agent, customer or consignee from anyone representing themselves to be the proper person to receive goods for shipment or accept goods for delivery.

(5) This coverage does not apply to:

- (a) Accounts receivable;
- (b) "Employee tools";
- (c) "Fine arts";
- (d) Sales representative property;
- (e) Personal property in transit to or from an "exhibition" site; or
- (f) "Valuable papers and records".

- f. **Sales Representative Property** meaning goods or merchandise which are Your Business Personal Property and Personal Property of Others in the custody of independent contractors whom you authorize to sell such goods or merchandise. This coverage applies worldwide while the property is:

- (1) At any premises away from the described premises; or

- (2) In transit;

provided that no trade sanction, embargo or similar regulation imposed by the United States of America prohibits us from covering the loss or damage.

2. Property and Costs Not Covered

Unless the following property is added by endorsement to this Coverage Form, Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes, checks, drafts or securities except as provided in the Accounts Receivable Coverage Extension. Lottery tickets held for sale are not securities;
- b. Aircraft or watercraft;
- c. Animals;

- d. Automobiles, motorcycles, motor trucks, motor homes and similar vehicles held for sale, lease, loan or rent;
- e. Bulkheads, pilings, piers, wharves, docks, dikes or dams;
- f. Contraband or property in the course of illegal transportation or trade;
- g. "Electronic data processing data and media" that is obsolete or no longer used by you;
- h. "Employee tools" except as provided in the Employee Tools Coverage Extension;
- i. Export and import shipments while covered under an ocean marine cargo or other insurance policy;
- j. "Fine arts", except as provided in the Personal Effects and Fine Arts Coverage Extensions;
- k. Harvested grain, hay, straw or other crops while outside of buildings, growing crops or standing timber;
- l. Human body parts and fluids including organs, tissue, blood and cells;
- m. Land, whether in its natural state or otherwise (including land on which the property is located), land improvements or the cost of restoring or stabilizing land;
- n. Personal property sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers except as provided in the Deferred Payments Coverage Extension;
- o. Property of others for which you are responsible while acting as a common or contract carrier, car-loader, freight forwarder, freight consolidator, freight broker, shipping association or similar arranger of transportation, or as a public warehouseman;
- p. Property that is covered under another coverage form or endorsement of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- q. Property while waterborne except while in transit by inland water carriers or by coastwise vessels operating within "territorial waters";

- r. Shipments by a government postal service except by registered mail;
- s. The cost of excavations, grading, backfilling or filling. This does not apply to costs necessarily incurred to repair or replace covered loss or damage to Covered Property, but any costs associated with land stabilization and land reconstruction are excluded;
- t. The cost to research, replace or restore the information on "valuable papers and records" and "electronic data processing data and media", except as provided in the Valuable Papers and Records – Cost of Research and Electronic Data Processing Data and Media Coverage Extensions;
- u. The following property while outside of buildings:
 - (1) Bridges, roadways, walks, patios, or other paved surfaces;
 - (2) Artificial turf and associated underlayment;
 - (3) Retaining walls that are not part of a building;
 - (4) Fences;
 - (5) Trees, shrubs, plants or lawns (including fairways, greens and tees), but not including vegetative roofs on Covered Buildings nor "stock" of trees, shrubs or plants;except as provided in the Outdoor Property Coverage Extension.
- v. The following underground property:
 - (1) Wires;
 - (2) Pipes, flues and drains;
 - (3) Tanks (including their contents);
 - (4) Tunnels (whether or not connected to buildings);
 - (5) Mines or mining property;
- w. Vehicles or self-propelled machines that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises;But this does not apply to:
 - (a) Vehicles, self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines you hold for sale, lease, loan or rent other than those excluded under A.2.d. above; or
 - (c) Trailers and Semi-trailers to the extent covered under the Non-Owned Detached Trailers Coverage Extension;
- x. Water, whether in its natural state or otherwise, and whether above or below ground or the cost of reclaiming or restoring water.

But this does not apply to:

- (1) Water contained in storage tanks used in your manufacturing or processing operations as specifically insured under the Stored Water Additional Coverage; or
- (2) Bottled water.

3. Additional Coverages

Each of the following Additional Coverages applies subject to the Limit(s) of Insurance stated in this Coverage Form unless a revised Limit of Insurance or *Not Covered* is indicated in the Declarations or the coverage is otherwise amended by endorsement:

a. Debris Removal

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

This Additional Coverage does not apply to costs to:

- (a) Remove debris of property you own that is not insured under this policy, or property of others in your care, custody or control that is not Covered Property;
- (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;

- (c) Remove debris of any outdoor property of a type described in the Outdoor Property Coverage Extension, whether the property is your property or the property of others;
 - (d) Remove any property that is included under Section A.2. Property and Costs Not Covered;
 - (e) Remove property of others of a type that is not Covered Property under this Coverage Form;
 - (f) Extract "pollutants" from land or water; or
 - (g) Remove, restore or replace polluted land or water.
- (2) The most we will pay under this Additional Coverage for your expense to remove the debris of Covered Property is 25% of:
- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
 - (b) The deductible in this Coverage Part applicable to that loss or damage.

Except as provided in Paragraph (3) below, this payment for your expense to remove the debris of Covered Property is included within the applicable Covered Property Limit of Insurance.

- (3) If:
- (a) Your expense to remove debris of Covered Property exceeds the above 25% limitation; or
 - (b) The sum of the amount we pay for loss of or damage to Covered Property and the expense for removal of its debris exceeds the applicable Limit of Insurance;
- we will pay an additional amount for your expense to remove the debris of Covered Property, up to \$250,000 in any one occurrence.
- (4) The most we will pay in any one occurrence under this Additional Coverage for your expense to remove the debris of any property that is not Covered Property (if such removal is covered under this Additional Cover-

age) is \$25,000. This is additional insurance.

b. Expediting Expenses

In the event of covered loss or damage to Covered Property, we will pay for the reasonable and necessary additional expenses you incur to make temporary repairs to, or expedite the permanent repairs or replacement of the Covered Property at the premises sustaining loss or damage. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses you incur for the temporary rental of property or temporary replacement of damaged property.

The most we will pay in any one occurrence under this Additional Coverage is \$25,000.

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 for your liability for fire department service charges:

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

No deductible applies to this Additional Coverage.

d. Fire Protective Equipment Discharge

If fire protective equipment at the described premises discharges accidentally or to control a Covered Cause of Loss, we will pay your cost to:

- (1) Refill or recharge the system with the extinguishing agents that were discharged; and
- (2) Replace or repair faulty valves or controls which caused the discharge.

e. Green Building Alternatives – Increased Cost

(1) If direct physical loss or damage by a Covered Cause of Loss occurs to a building that is Covered Property, we will pay for:

- (a) The reasonable additional cost you incur to repair or replace the lost or damaged portions of the

building using products or materials that:

- (i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with a documented "green authority"; and
- (ii) Are otherwise of comparable quality and function to the damaged property;

and

- (b) The reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "green authority".
- (2) The insurance provided under this Additional Coverage applies only if replacement cost valuation applies to the lost or damaged building and then only if the building is actually repaired or replaced as soon as reasonably possible after the loss or damage.
 - (3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.
 - (4) The most we will pay for the additional cost incurred with respect to each building in any one occurrence under this Additional Coverage is determined by multiplying:
 - (a) A factor of 1% (unless a higher increased cost percentage is shown in the Declarations); times
 - (b) The lesser of:
 - (i) The amount we would otherwise pay for direct physical loss of or damage to the building, prior to application of any applicable deductible; or
 - (ii) The value you reported to us for the building, as stated on the latest Statement of Values or other documentation

on file with us prior to the loss or damage.

Unless otherwise stated in the Declarations, this resultant amount is subject to a maximum amount of insurance of \$100,000 for each building.

f. Green Building Reengineering and Recertification Expense

- (1) If, as a result of direct physical loss or damage by a Covered Cause of Loss to a building that is Covered Property, the pre-loss level of "green" building certification by a "Green Authority" on the building is lost, we will pay for the following reasonable additional expenses you incur to re-attain the pre-loss level of "green" building certification from that "Green Authority":

- (a) The reasonable additional expense you incur to hire a qualified engineer or other professional required by the "Green Authority" to be involved in:

- (i) Designing, overseeing or documenting the repair or replacement of the lost or damaged building; or
- (ii) Testing and recalibrating the systems and mechanicals of the lost or damaged building to verify that the systems and mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer;

and

- (b) The reasonable registration and recertification fees charged by the "Green Authority".

- (2) This Additional Coverage applies to the additional expenses described above that you incur to achieve the pre-loss level of "green" building certification in accordance with the standards of the "Green Authority" that exist at the time of repair or replacement, even if the standards have changed since the original certification was achieved.

(3) The most we will pay in any one occurrence under this Additional Coverage for:

(a) All expenses incurred with respect to each building is 5% of the sum of:

(i) The amount we pay for the direct physical loss of or damage to the building, including any amount paid under the Green Building Alternatives – Increased Cost Additional Coverage; and

(ii) The deductible amount applied to the loss payment for direct physical loss or damage to the building;

(b) All expenses incurred, regardless of the number of buildings involved, is \$25,000.

g. Limited Coverage for Fungus, Wet Rot or Dry Rot

(1) The coverage provided in Paragraph (2) below only applies when "fungus", wet rot or dry rot is the result of any of the "specified causes of loss", other than fire or lightning, that occurs during the policy period, and only if all reasonable means have been used to save and preserve the property from further damage at the time of and after the occurrence of such "specified causes of loss".

(2) We will pay for direct physical loss of or damage to Covered Property caused by "fungus", wet rot or dry rot, including:

(a) The cost of removal of the "fungus", wet rot or dry rot;

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

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

(3) The most we will pay for the total of all loss or damage under this Additional Coverage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) occurring during each separate 12 month period of this policy beginning with the effective date of this policy is \$25,000.

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

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

h. Ordinance or Law Coverage

(1) In the event of covered direct physical loss or damage to a building that is Covered Property, the following coverages apply, but only with respect to that lost or damaged building:

(a) Coverage A – Coverage For Loss To The Undamaged Portion of The Building

We will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

(b) Coverage B – Demolition Cost Coverage

We will pay under Coverage B the cost to demolish the building and clear the site of undamaged parts of the same building, as a consequence of enforcement of

an ordinance or law that requires demolition of such undamaged property.

(c) Coverage C – Increased Cost of Construction

We will pay under Coverage C the increased cost to:

- (i) Repair or reconstruct damaged portions of that building; or
- (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

This Coverage C applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance. This Coverage C does not apply if the building is not repaired, reconstructed or remodeled.

- (2)** The coverages described in **(1)** above apply only if the provisions in Paragraphs **(a)** and **(b)** below are satisfied and are then subject to the qualifications set forth in Paragraph **(c)** below:

(a) The ordinance or law:

- (i) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (ii) Is in force at the time of loss.

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

(b) The building either:

- (i) Sustains direct physical loss or damage that is covered under this Coverage Part and such damage results in enforcement of the ordinance or law; or
- (ii) Sustains both direct physical loss or damage that is covered under this Coverage Part and direct physical loss or damage that is not covered under this Coverage Part and the building damage in its entirety results in enforcement of the ordinance or law.

If the building sustains direct physical loss or damage that is not covered under this Coverage Part, and such damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has also sustained covered direct physical loss or damage.

- (c)** In the situation described in **(b)** **(ii)** above, we will not pay the full amount of loss otherwise payable under the terms of Coverage A, B or C of this Additional Coverage. Instead, we will pay a proportion of such loss. The proportion of such loss that we will pay is the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage.

However, if covered direct physical loss or damage, alone, would have resulted in the enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverage A, B, or C of this Additional Coverage.

- (3)** We will not pay under this Additional Coverage for:

- (a)** Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation.

tion of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot;

- (b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet rot or dry rot; or
- (c) Loss due to any ordinance or law that:
 - (i) You were required by the ordinance or law to comply with before the loss, even if the building was undamaged; and
 - (ii) You failed to comply with.
- (4) **Exclusion C.1.h.** Ordinance or Law does not apply to the insurance specifically provided under this Additional Coverage.
- (5) The most we will pay under this Additional Coverage for loss with respect to all buildings lost or damaged in any one occurrence, regardless of the number of buildings involved, is \$250,000.

i. Pollutant Cleanup and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises, if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from any of the "specified causes of loss" which occurs:

- (1) On the described premises;
- (2) To Covered Property; and
- (3) During the policy period.

The expenses will be paid only if they are reported to us within 180 days of the date on which the covered "specified 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 is \$100,000 for the sum of all covered expenses arising out of all "specified causes of loss" occurring during each separate 12 month period of this policy (beginning with the effective date of the policy).

j. Preservation of Property

If it is necessary to temporarily move Covered Property from the described premises to preserve it from the threat of imminent loss or damage by a Covered Cause of Loss:

- (1) We will pay for the reasonable and necessary expenses actually incurred by you to remove the Covered Property from the described premises, temporarily store the Covered Property at another location and move the Covered Property back to the described premises within a reasonable time after the threat of imminent loss or damage to the property by the Covered Cause of Loss passes. The most we will pay for the sum of all such expenses that you incur due to the threat of loss or damage from any one occurrence is \$250,000, subject to the following:

- (a) This Limit of Insurance is an additional amount of insurance that is not included in, and does not reduce, the Covered Property Limits of Insurance.

- (b) When the Causes of Loss – Earthquake endorsement or Causes of Loss – Earthquake Sprinkler Leakage endorsement is included in this Coverage Part, our payment for the sum of all expenses incurred due to the threat of loss or damage to Covered Property from all threatened occurrences of all such Covered Causes of Loss in any one policy year will not exceed \$250,000. This limit is not included in, and does not reduce, the Limits of Insurance that apply to loss or damage to which the Causes of Loss – Earthquake endorsement

or the Causes of Loss – Earthquake Sprinkler Leakage endorsement applies.

- (c) When the Causes of Loss – Broad Form Flood endorsement is included in this Coverage Part, our payment for the sum of all expenses incurred due to the threat of loss or damage to Covered Property from all threatened occurrences of such Covered Cause of Loss in any one policy year will not exceed \$250,000. This limit is not included in, and does not reduce, the Limits of Insurance that apply to loss or damage to which the Causes of Loss – Broad Form Flood endorsement applies.
- (d) If the threat of imminent direct physical loss or damage to Covered Property from the same occurrence spans over multiple policy years, only the limit that applies to this Coverage in the policy year in which the expenses are first incurred by you will apply to the total of the expenses incurred due to the threat of loss or damage from that occurrence.

This Coverage is subject to the deductible that applies to loss or damage to the Covered Property by the Covered Cause of Loss from which the property is being preserved.

- (2) We will also pay for any direct physical loss of or damage to the Covered Property while it is being moved from the described premises, while temporarily stored at another location or while being moved back to the described premises, subject to the following:
 - (a) This Coverage is subject to, and does not increase the applicable Covered Property Limit of Insurance.
 - (b) This Coverage will only apply if the loss or damage occurs within 180 days after the Covered Property is first moved and will end when any of the following first occurs:

- (i) The policy is amended to provide insurance at the new location;
- (ii) The Covered Property is returned to the original location; or
- (iii) This policy expires.

k. Reward Coverage

We will reimburse you for rewards you have incurred leading to:

- (1) The successful return of undamaged stolen articles of Covered Property to a law enforcement agency; or
- (2) The arrest and conviction of any person(s) who have damaged or stolen any of your Covered Property.

The most we will pay in any one occurrence under this Additional Coverage is 25% of the covered loss (prior to the application of any applicable deductible and recovery of undamaged stolen articles) up to a maximum of \$25,000 for the payments of rewards you make. These reward payments must be documented. No deductible applies to this Additional Coverage.

l. Stored Water

- (1) We will pay the cost you incur to replace water that is used in your manufacturing or processing operations which is contained in any:
 - (a) Above-ground storage tank; or
 - (b) Manufacturing or processing equipment (including related piping) at the described premises,when the water has been released or rendered unusable for its intended purpose due to direct physical loss of or damage to such tank, equipment or piping by a Covered Cause of Loss.
- (2) This Additional Coverage does not apply to costs to restore or replace water contained in any fire suppression system.
- (3) The most we will pay in any one occurrence under this Additional Coverage is \$25,000.

m. Water or Other Substance Loss – Tear Out and Replacement Expense

In the event of covered loss or damage caused by or resulting from water (or steam), other liquid, powder or molten material, we will also pay:

- (1) The necessary cost of tearing out and replacing any part of a Covered Building or Structure to repair damage to the system or appliance from which the water (or steam), other liquid, powder or molten material escapes; and
- (2) The cost to repair or replace damaged parts of fire extinguishing equipment if:
 - (a) The damage results in discharge of any substance from an automatic fire protective system; or
 - (b) Is directly caused by freezing.

Except as provided under (2) above, we will not pay the cost to repair any defect in a system or appliance from which the water (or steam), other liquid, powder or molten material escapes.

4. Coverage Extensions

Each of the following Coverage Extensions applies subject to the Limit(s) of Insurance stated in this Coverage Form, unless a revised Limit of Insurance or *Not Covered* is indicated in the Declarations or the coverage is otherwise amended by endorsement:

a. Accounts Receivable

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to losses and expenses described below that you incur resulting from direct physical loss or damage by a Covered Cause of Loss to your accounts receivable records. Credit card company charge media will be considered accounts receivable until delivered to the credit card company.

We will pay:

- (a) 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) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, we will:
 - (a) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs;
 - (b) Adjust the total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month; and
 - (c) Deduct the following from the total amount of accounts receivable, however that amount is established:
 - (i) The amount of the accounts for which there is no loss;
 - (ii) The amount of the accounts that you are able to re-establish or collect;
 - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) All unearned interest and service charges.
 - (3) The most we will pay in any one occurrence under this Extension for loss and expenses resulting from loss of or damage to your records of accounts receivable:
 - (a) At or within 1,000 feet of the described premises is \$50,000; and
 - (b) While in transit or at all undescrbed premises is \$25,000.

b. Appurtenant Buildings and Structures

- (1) At the described premises where Building coverage applies:
 - (a) You may extend the insurance that applies to your buildings to

- apply to direct physical loss or damage by a Covered Cause of Loss to incidental appurtenant buildings and structures which are at the described premises but not specifically described in the Declarations; and
- (b) You may extend the insurance that applies to Your Business Personal Property and Personal Property of Others, if any, to apply to direct physical loss or damage by a Covered Cause of Loss to such property located within incidental appurtenant buildings or structures which are at the described premises but not specifically described in the Declarations.
- (2) Incidental appurtenant buildings or structures include storage buildings, garages, pump houses, above ground tanks, television and radio towers, antennas, satellite dishes and solar panels mounted on the ground or on poles not attached to buildings and structures. But incidental appurtenant buildings and structures do not include:
- (a) Outside signs, whether or not attached to buildings or structures;
- (b) Any property to which the Outdoor Property Coverage Extension applies; or
- (c) Any property excluded under Section A.2. Property and Costs Not Covered.
- (3) The most we will pay for loss or damage in any one occurrence under this Extension is \$100,000.
- c. Claim Data Expense**
- (1) You may extend the insurance provided by this Coverage Form to apply to the reasonable expenses you incur in preparing claim data when we require it to adjust a covered loss. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of loss.
- (2) We will not pay for:
- (a) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
- (b) Any costs as provided in the Appraisal Loss Condition (G.2.); or
- (c) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.
- (3) The most we will pay for claim data expense in any one occurrence under this Extension is \$25,000.
- d. Covered Leasehold Interest – Undamaged Improvements and Betterments**
- (1) You may extend the insurance that applies to Your Business Personal Property at the described premises which you lease from others to apply to your interest as tenant in improvements and betterments, as defined in Section A.1.b.(6) of this Coverage Form, which are not damaged or destroyed, but which you lose due to the cancellation of your lease by your landlord. The cancellation of your lease by your landlord must:
- (a) Result from direct physical loss of or damage to property at the described premises where your improvements and betterments are located, caused by or resulting from a Covered Cause of Loss; and
- (b) Be permitted in accordance with the conditions of your written lease agreement.
- (2) The most we will pay for loss in any one occurrence under this Extension is:
- (a) The applicable Your Business Personal Property Limit of Insurance; or
- (b) \$100,000;
- whichever is less.
- e. Deferred Payments**
- (1) You may extend the insurance that applies to Your Business Personal Property to apply to your interest in

such business personal property that is sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan when, as a result of direct physical loss of or damage to such property:

- (a) Occurring within the Coverage Territory at any location, or in transit, after delivery to buyers; and
- (b) Caused by a Covered Cause of Loss;

the buyer refuses to continue payments owed to you for such property and, as a result, you repossess the remaining damaged property of value, if any.

- (2) The value of your loss under this Extension will be determined as follows:
 - (a) In the event of partial loss to property, the value of your loss will be:
 - (i) The unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due; minus
 - (ii) The actual cash value of the repossessed damaged property.
 - (b) In the event of a total loss to property, the value of your loss will be the unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due.
- (3) The most we will pay for loss in any one occurrence under this Extension is \$25,000.

f. Duplicate Electronic Data Processing Data and Media

- (1) You may extend the insurance that applies to Your Business Personal Property and Personal Property of Others to apply to direct physical loss or damage by a Covered Cause of Loss to duplicates of your "electronic data processing data and media" while stored in a separate, unattached building anywhere in the Coverage Territory from where your

original "electronic data processing data and media" are kept.

- (2) The most we will pay for loss or damage in any one occurrence under this Extension is \$50,000.

g. Electronic Data Processing Data and Media

- (1) You may extend the insurance that applies to Your Business Personal Property and Personal Property of Others to apply to your costs to re-search, replace or restore the lost information on lost or damaged "electronic data processing data and media" for which duplicates do not exist. The loss or damage to the "electronic data processing data and media" must be caused by a Covered Cause of Loss.

- (2) The most we will pay in any one occurrence under this Extension for loss or damage to "electronic data processing data and media":

- (a) At or within 1,000 feet of the described is as follows:

- (i) \$50,000 at all described premises unless a different Limit of Insurance or *Not Covered* is shown in the Declarations or Paragraph (ii) below applies;

- (ii) When *Included* is shown in the Declarations as the Limit of Insurance, the insurance provided for such property is included in, and does not increase the Limit(s) of Insurance that otherwise apply to loss or damage to Your Business Personal Property and Personal Property of Others at the described premises where the loss occurs;

and

- (b) At any other location where the insurance provided under this Coverage Form for Your Business Personal Property and Personal Property of Others applies, including while in transit, is included in and does not increase the Limit of Insurance that otherwise applies to loss or damage to

Your Business Personal Property and Personal Property of Others at that location or in transit. But, in no event will the amount we pay for such loss or damage to "electronic data processing data and media" under this Extension exceed the amount we would have paid had the loss to "electronic data processing data and media" occurred at or within 1,000 feet of the described premises.

h. Employee Tools

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage by a Covered Cause of Loss to "employee tools" at the described premises or while in the care, custody or control of your employees at job sites or while in transit between these locations.
- (2) The most we will pay for loss or damage in any one occurrence under this Extension is \$25,000, but not more than \$2,500 for any one item.

i. Extra Expense

- (1) You may extend the insurance provided by this Coverage Form to apply to the reasonable and necessary Extra Expense you incur, during the period of restoration, due to direct physical loss or damage to property at or within 1,000 feet of the described premises caused by or resulting from a Covered Cause of Loss.
- (2) If you occupy only a portion of a building in which the described premises are located, such premises include all routes within the building to gain access to the portion of the building which you own, rent, lease or occupy.
- (3) As used in this Extension:
 - (a) Extra Expense means necessary expenses you incur that you would not have incurred if there had been no direct physical loss or damage to property:
 - (i) To avoid or minimize the suspension of business and

to continue your normal business operations:

- At the described premises; or
 - At replacement premises or at temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations;
- (ii) To minimize the suspension of business if you cannot continue your normal business operations at the described premises; or
- (iii) To the extent that it reduces the amount of loss that otherwise would have been payable under this Coverage Form:
- To repair or replace any property;
 - To research, replace or restore the lost information on lost or damaged "electronic data processing data and media" or "valuable papers and records".
- (b) Period of restoration means the period of time that:
- (i) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - (ii) Ends on the earlier of:
 - The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - The date when business is resumed at a new permanent location.

Period of restoration does not include any increased period re-

quired due to the enforcement of any ordinance or law that:

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

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

- (4) The most we will pay for all Extra Expense in any one occurrence under this Extension is \$25,000.

j. Fine Arts

- (1) You may extend the insurance that applies to Your Business Personal Property and Personal Property of Others to apply to direct physical loss or damage by a Covered Cause of Loss to "fine arts" at the described premises or in transit.
- (2) The most we will pay in any one occurrence under this Extension for loss of or damage to "fine arts":
 - (a) At or within 1,000 feet of the described premises is \$50,000; and
 - (b) While in transit is \$25,000.

k. Loss of Master Key

- (1) If a master key or key card to buildings, rooms or compartments that are Covered Property or house Covered Property is lost or damaged by a Covered Cause of Loss, you may extend the insurance provided by this Coverage Form to apply to the actual and necessary costs you incur to:
 - (a) Replace keys and either:
 - (i) Adjust existing locks to accept the new keys; or
 - (ii) Replace existing locks, but only if necessary or less expensive than the cost of adjusting the existing locks;

or

- (b) Re-program the key card access control device to accept replacement key cards.

- (2) With respect only to the insurance provided by this Extension, the following changes apply to the Exclusions in Section C. and Limitations in Section D. of this Coverage Form:

- (a) The exclusion of loss or damage caused by or resulting from dishonest or criminal act under Exclusion C.2.c. (Dishonesty) does not apply, except with respect to dishonest or criminal act by you or any of your partners, directors or trustees;

- (b) The exclusion of loss of property when there is no physical evidence to show what happened to the property under Limitations D.1.d. does not apply.

- (3) The most we will reimburse you for costs under this Extension is \$25,000 in total arising out of all occurrences occurring during each separate 12 month period of this policy (beginning with the effective date of the policy).

l. Newly Constructed or Acquired Property

- (1) You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage by a Covered Cause of Loss to:
 - (a) Your new buildings or additions while being built on the described premises or newly acquired premises including materials, equipment, supplies and temporary structures, on or within 1,000 feet of the premises;
 - (b) Buildings you acquire at locations other than the described premises; and
 - (c) Buildings which you become newly required to insure under a written contract.

The most we will pay for loss or damage to Buildings in any one occurrence under this Extension is \$2,000,000 at each building.

- (2) You may extend the insurance that applies to Your Business Personal

Property and Personal Property of Others to apply to direct physical loss or damage by a Covered Cause of Loss to that type of property at:

- (a) A building you newly acquire or construct at a location described in the Declarations; and
- (b) Any other location you acquire by purchase or lease (other than at "exhibitions").

The most we will pay for loss or damage to Your Business Personal Property and Personal Property of Others in any one occurrence under this Extension is \$1,000,000 in total at each newly acquired premises.

- (3) Insurance provided under this Extension for each newly acquired or constructed property will end when any of the following first occurs:
 - (a) This policy is cancelled or expires;
 - (b) 180 days expire after you acquire or begin to construct the property;
 - (c) You report values to us; or
 - (d) The property is more specifically insured.

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

m. Non-Owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage by a Covered Cause of Loss to trailers or semi-trailers that you do not own, provided that:
 - (a) The trailer or semi-trailer is used in your business;
 - (b) The trailer or semi-trailer is in your care, custody or control at the described premises; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer or semi-trailer.
- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer or semi-trailer is attached to any motor vehicle or

motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion; or

- (b) During hitching or unhitching operations, or when a trailer or semi-trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage in any one occurrence under this Extension is \$25,000.
- (4) This insurance is excess over the amount due from any other insurance covering such property, whether you can collect on it or not.

n. Outdoor Property

- (1) You may extend the insurance provided by this Coverage Form to apply to:
 - (a) Direct physical loss or damage to your outdoor:
 - (i) Fences;
 - (ii) Retaining walls that are not part of a building;
 - (iii) Lawns (including fairways, greens and tees), artificial turf (including underlayment) trees, shrubs and plants (other than "stock" of trees, shrubs or plants);
 - (iv) Bridges, walks, roadways, patios or other paved surfaces;

at the described premises caused by or resulting from a cause of loss described in (2) below;

and

- (b) The reasonable and necessary expense that you incur to remove debris of your outdoor property listed above and similar property of others at your described premises caused by a Cause of Loss listed in (2) below that occurs during the policy period. Such expenses will be paid only if they are reported to us in writing within 180 days of the direct physical loss or damage. Such payment will not increase the Limit of In-

insurance that applies to this Extension.

- (2) This Extension applies only if the loss or damage is caused by or results from the following causes of loss, and then only if they are a Covered Cause of Loss:

- (a) Fire;
- (b) Lightning;
- (c) Explosion;
- (d) Riot or Civil Commotion;
- (e) Aircraft;
- (f) Falling Objects; or
- (g) "Sinkhole Collapse".

- (3) The most we will pay for loss or damage and debris removal expense in any one occurrence under this Extension is \$25,000, but we will not pay more than \$2,500 for any one tree, shrub or plant.

o. Outside Signs

- (1) You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage by a Covered Cause of Loss to outside signs, whether or not attached to a building, at or within 1,000 feet of the described premises or at any und-described premises.

- (2) The most we will pay in any one occurrence under this Extension for loss or damage to all outside signs:

- (a) At or within 1,000 feet of the described premises is \$100,000;
- (b) At all und-described premises is \$5,000.

p. Personal Effects

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage by a Covered Cause of Loss to personal effects or "fine arts" owned by your officers, your partners or your employees while such property is at the described premises.

- (2) The most we will pay for loss or damage in any one occurrence under this Extension is \$25,000 at each described premises.

- (3) Our payment for loss or damage under this Extension will only be for the account of the owner of the property.

q. Personal Property At Premises Outside of the Coverage Territory

- (1) You may extend the insurance that applies to Your Business Personal Property and Personal Property of Others to apply to direct physical loss or damage by a Covered Cause of Loss to such property occurring at premises anywhere in the world outside of the Coverage Territory provided that no trade sanction, embargo or similar regulation imposed by the United States of America prohibits us from covering the loss or damage.

- (2) This Extension does not apply to:

- (a) Personal property at an "exhibition";
- (b) Property at any installation site or at temporary storage premises awaiting installation;
- (c) Sales representative property; or
- (d) Personal property in transit.

- (3) The most we will pay for loss or damage in any one occurrence under this Extension is \$50,000.

r. Personal Property In Transit Outside of the Coverage Territory

- (1) Unless otherwise indicated in the Declarations or by endorsement, you may extend the insurance provided for Personal Property in Transit in Section A.1.e. (including any mode of transportation or type of shipment exclusion), to apply to Your Business Personal Property and Personal Property of Others in your care, custody or control in transit anywhere in the world outside of the Coverage Territory provided that no sanction, embargo or similar regulation imposed by the United States of America prohibits us from covering the loss or damage.

- (2) This Extension also applies to Covered Property in transit which is in the custody of your officers or employees.

- (3) The most we will pay for loss or damage in any one occurrence under this Extension is \$25,000.

s. Theft Damage to Rented Property

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage by theft or attempted theft to:

- (a) That part of any building at the described premises that you occupy, but do not own, and which contains the Covered Property; and

- (b) Property within such non-owned building used for maintenance or service of the non-owned building.

- (2) This Extension applies only if you are a tenant and are required in your lease to cover the expense.

- (3) We will not be liable under this Extension for loss or damage by fire or explosion, or to glass (other than glass building blocks) or to any lettering, ornamentation or burglar alarm tape on glass.

- (4) Payment under this Extension will not increase the Limit of Insurance that applies to Your Business Personal Property at the described premises where the direct physical loss or damage occurs.

t. Undamaged Parts of Stock in Process

- (1) You may extend the insurance that applies to Your Business Personal Property and Personal Property of Others to apply to the reduction in value of undamaged parts of covered products or "stock" in process which become unmarketable. The reduction in value must be the direct result of direct physical loss or damage by a Covered Cause of Loss to other parts of the covered products or "stock" in process at the described premises.

- (2) The most we will pay for loss or damage in any one occurrence under this Extension is \$50,000.

u. Valuable Papers and Records – Cost of Research

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged "valuable papers and records" for which duplicates do not exist. The loss or damage to "valuable papers and records" must be caused by a Covered Cause of Loss.

- (2) The most we will pay for loss or damage in any one occurrence under this Extension:

- (a) At or within 1,000 feet of the described premises is \$50,000; and

- (b) While in transit or at all und-described premises is \$25,000.

B. COVERED CAUSES OF LOSS

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

- 1. Excluded in Section C., Exclusions;
- 2. Limited in Section D., Limitations; or
- 3. Excluded or limited in the Declarations or by endorsement.

C. EXCLUSIONS

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

a. Certain Computer-Related Losses

- (1) Failure, malfunction or inadequacy of:

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

- (i) Computer hardware, including microprocessors;

- (ii) Computer application software;

- (iii) Computer operating systems and related software;

- (iv) Computer networks;

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

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

or

(b) Any other products and services, data or functions, that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (1)(a) above;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

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

If an excluded Cause of Loss as described in Paragraphs (1) and (2) above results in any of the "specified causes of loss", or in elevator collision resulting from mechanical breakdown, we will pay only for the loss or damage caused by such "specified causes of loss" or elevator collision.

We will not pay for repair, replacement or modification of any items in Paragraphs (1) and (2) above to correct any deficiencies or change in features.

b. Earth Movement

(1) Any of the following, all whether naturally occurring or due to man-made or other artificial causes:

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

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

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

(d) Earth sinking (other than "sink-hole 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; or

(e) Volcanic eruption, explosion or effusion.

(2) If Earth Movement as described in:

(a) Paragraphs (1)(a) through (1)(d) above results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion; or

(b) Paragraph (1)(e) above, results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

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

(i) Airborne volcanic blast or airborne shock waves;

(ii) Ash, dust or particulate matter; or

(iii) Lava flow.

With respect to coverage for Volcanic Action as set forth in (i), (ii) and (iii) above, volcanic eruptions that occur within any 168-hour period will constitute a single occurrence. Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

(3) This exclusion does not apply to:

(a) Personal property in transit;

(b) Personal property at an "exhibition";

(c) Sales representative property; or

(d) Personal property in the custody of any officer or employee of the

insured while traveling outside of the Coverage Territory.

c. Fungus, Wet Rot or Dry Rot

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

But if "fungus", wet rot or dry rot results in any of the "specified causes of loss", we will pay for the loss or damage caused by such "specified causes of loss".

This exclusion does not apply:

- (1) When "fungus", wet rot or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided under the Limited Coverage for Fungus, Wet Rot or Dry Rot Additional Coverage.

d. Governmental Action

Seizure or destruction of property by order of governmental authority except as provided for under the Additional Coverage – Ordinance or Law Coverage.

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

e. Intentional Loss

Any act an insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no insured is entitled to coverage, including insureds who did not commit or conspire to commit the act causing the loss.

f. Neglect

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

g. Nuclear Hazard

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

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

h. Ordinance or Law

(1) The enforcement of any ordinance or law:

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

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

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

i. Utility Services

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

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

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

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

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

j. Virus or Bacteria

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

- (2) With respect to any loss or damage subject to this exclusion, this exclusion supersedes any exclusion relating to "pollutants".

k. 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.

l. Water

- (1) Any of the following, all whether naturally occurring or due to man-made or other artificial causes:
 - (a) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether driven by wind (including storm surge) or not;
 - (b) Mudslide or mudflow;
 - (c) Water or sewage that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. However, this exclusion does not apply to the backup or overflow of water or sewage from drains within a building if the backup or overflow is not otherwise directly or indirectly caused by the Water Exclusions in Paragraphs (a) or (b) above or in Paragraphs (d) or (e) below.
 - (d) Water under the ground surface pressing on, or flowing or seeping through:
 - (i) Foundations, walls, floors or paved surfaces;
 - (ii) Basements, whether paved or not; or
 - (iii) Doors, windows or other openings; or

- (e) Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs (a), (c) and (d) above, or material carried or otherwise moved by mudslide or mudflow.

But if **Water**, as described in (a) through (e) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- (2) This exclusion does not apply to:

- (a) Personal property in transit;
- (b) Personal property at an "exhibition";
- (c) Sales representative property; or
- (d) Personal property in the custody of any officer or employee of the insured while traveling outside of the Coverage Territory.

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

a. Collapse

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

- (a) An abrupt falling down or caving in;
- (b) Loss of structural integrity, including separation of portions of the property or property in danger of falling down or caving in; or
- (c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion as such condition relates to Paragraphs (a) or (b) above.

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

- (2) This Exclusion does not apply:

- (a) To an abrupt collapse to the extent that coverage is provided under the Abrupt Collapse Additional Coverage in (3) below; or

- (b) To collapse of Covered Property caused by one or more of the following:
- (i) Any of the "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
 - (ii) Weight of rain that collects on a roof; or
 - (iii) Weight of people or personal property.
- (3) Abrupt Collapse Additional Coverage
- The term Covered Cause of Loss includes abrupt collapse as described and limited under Paragraphs (a) through (g) below.
- (a) As used in this Additional Coverage, abrupt collapse means abrupt falling down or caving in of a building or any portion of a building with the result that the building or portion of the building cannot be occupied for its intended purpose.
- (b) We will pay for direct physical loss of or damage to Covered Property, caused by abrupt collapse of a building or any portion of a building that is insured under this Coverage Form, or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
- (i) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - (ii) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - (iii) 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;
 - (iv) Use of defective material or methods of construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling, or renovation is complete, but only if the collapse is caused in part by:
 - A cause of loss listed in Paragraphs (3)(b)(i) or (3)(b)(ii) above;
 - One or more of the "specified causes of loss";
 - Breakage of building glass;
 - Weight of people or property; or
 - Weight of rain that collects on a roof.
- (c) Abrupt collapse under Paragraphs (3)(a) and (b) above does not apply to:
- (i) A building or any portion of a building that is in danger of falling down or caving in;
 - (ii) A portion of a building that is standing, even if it has separated from another portion of the building; or
 - (iii) A building that is standing or any portion of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (d) With respect to the following property:
- (i) Television and radio towers, antennas, satellite dishes, guy wires, lead-in wiring and masts;
 - (ii) Awnings, canopies, gutters, downspouts and fences;
 - (iii) Yard fixtures;
 - (iv) Outdoor swimming pools;
 - (v) Bulkheads, pilings, piers, wharves and docks;

- (vi) Beach or diving platforms or appurtenances;
- (vii) Retaining walls;
- (viii) Underground pipes, flues or drains; and
- (ix) Walkways, roadways and other paved surfaces;

if abrupt collapse is caused by a Cause of Loss listed in Paragraphs (3)(b)(i) through (3)(b)(iv) above, we will pay for loss or damage to that property only if:

- (i) Such loss or damage is a direct result of the abrupt collapse of a building or any portion of a building insured under this Coverage Form; and
 - (ii) The property is Covered Property under this Coverage Form.
- (e) If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building or any portion of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- (i) The collapse of personal property was caused by a Cause of Loss listed in Paragraphs (3)(b)(i) through (3)(b)(iv) above;
 - (ii) The personal property which collapses is inside a building; and
 - (iii) The personal property which collapses is not of a kind listed in Paragraph (3)(d) above, regardless of whether that kind of property is considered to be personal property or real property.
- (f) This Abrupt Collapse Additional Coverage 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.

(g) This Abrupt Collapse Additional Coverage will not increase the Limits of Insurance provided in this Coverage Part.

b. Consequential Loss

- (1) Delay, loss of use or loss of market; or
- (2) Loss of business income or extra expense except as specifically provided in this Coverage Part.

c. Dishonesty

Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees), but theft by employees is not covered.

This exclusion does not apply to carriers for hire.

d. Electrical Damage or Disturbance

Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs 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.

Electrical, magnetic or electromagnetic energy includes:

- (1) Electrical current, including arcing;
- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (3) Pulse of electromagnetic energy;
- (4) Electromagnetic waves or microwaves.

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

This Exclusion does not apply to loss or damage to "electronic data processing

equipment" or "electronic data processing data and media".

e. Explosion

Explosion of steam boilers, steam generators, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

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

f. Exposed Property

Rain, snow, sand, dust, ice or sleet to personal property in the open (other than to property in the custody of a carrier for hire).

g. Freezing

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

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

h. Liquid Seepage or Leakage

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

i. Other Types of Losses

- (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, bulging or expansion;

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

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

This Exclusion does not apply to loss or damage to "electronic data processing equipment" or "electronic data processing data and media";

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

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature;
- (c) Changes in flavor, color, texture or finish;
- (d) Contamination by other than "pollutants"; and
- (e) Marring or scratching.

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

Also, if an excluded cause of loss listed in Paragraphs (1) through (5) or (7) above results in mechanical breakdown of "electronic data processing equipment", we will pay for the loss or damage caused by that mechanical breakdown of "electronic data processing equipment".

j. Pollution

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

k. Smoke, Vapor or Gas

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

This exclusion does not apply to emissions or puff backs of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

l. Voluntary Parting

Voluntary parting with any property by you or anyone else to whom you have entrusted the property.

This Exclusion does not apply to insurance provided under this Coverage Form for personal property in transit if the loss to Covered Property is caused by your acceptance, in good faith, of false bills of lading or shipping receipts.

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

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

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body except as provided in the Additional Coverage – Ordinance or Law Coverage.

c. Faulty, inadequate or defective:

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

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

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

(4) Maintenance;

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

If an excluded cause of loss that is listed in 3.c. above results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

(1) Any cost of:

(a) Correcting or making good the fault, inadequacy or defect itself; or

(b) Tearing down, tearing out, repairing or replacing any part of any property to correct the fault, inadequacy or defect;

except as specifically provided under the Water or Other Substance Loss – Tear Out and Replacement Expense Additional Coverage; or

(2) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault inadequacy or defect is corrected.

4. Special Exclusions

The following exclusions apply only with respect to the specified coverage or property.

a. Accounts Receivable

Under the Accounts Receivable Coverage Extension, we will not pay for:

(1) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions;

(2) Any loss or damage that requires an audit of records or an inventory computation to prove its factual existence; or

(3) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal wrongful giving, taking or withholding of money, securities or other property. But this exclusion only applies to the wrongful giving, taking or withholding.

b. Valuable Papers and Records

We will not pay for any loss of or damage to "valuable papers and records" caused by or resulting from the following. In addition, we will not pay for any loss that is a consequence of such loss or damage.

(1) Unauthorized viewing, copying or use of electronic data (or any proprietary or confidential information or intellectual property in any form) by any person, even if such activity is characterized as theft;

- (2) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the resulting loss or damage caused by that fire or explosion; or
 - (3) Unauthorized instructions to transfer property to any person or place.
- c. Electronic Data Processing Equipment and Electronic Data Processing Data and Media**
- (1) We will not pay for loss of or damage to "electronic data processing equipment", any other programmable electronic machines, "electronic data processing data and media" or other electronic data caused by or resulting from the following. In addition, we will not pay for any loss that is a consequence of such loss or damage.
 - (a) Programming errors, omissions or incorrect instructions to a machine. But if programming errors, omissions or incorrect instructions to a machine result in any of the "specified causes of loss" or result in mechanical breakdown of "electronic data processing equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "electronic data processing equipment";
 - (b) Unauthorized viewing, copying or use of "electronic data processing data and media" by any person, even if such activity is characterized as theft;
 - (c) Errors or deficiency in design, installation, maintenance, repair or modification of your electronic data processing system or any electronic data processing system or network to which your system is

connected or on which your system depends (including the electronic data in such system or network) results in any of the "specified causes of loss" or results in mechanical breakdown of "electronic data processing equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "electronic data processing equipment"; or

- (d) Unexplained or indeterminable failure, malfunction or slowdown of any electronic data processing system or network, including the electronic data in such system or network, and the inability to access or properly manipulate the electronic data.

- (2) We will not pay for loss of or damage to "electronic data processing data and media" or other electronic data while being sent electronically. In addition, we will not pay for any loss that is a consequence of such loss or damage.

5. Additional Exclusion

The following exclusion applies only to loss or damage to the specified property and to loss that is a consequence of such loss or damage to the specified property.

Loss or Damage to Products

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

D. LIMITATIONS

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

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The "interior of a building or structure", or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - d. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

This limitation does not apply to property in the custody of a carrier for hire.
 - e. Property that has been transferred to a person or place outside the described premises on the basis of unauthorized instructions.
 - f. Trees, shrubs, plants or lawns on a vegetative roof or "stock" of outdoor trees, shrubs and plants caused by or resulting from:
 - (1) Dampness or dryness of atmosphere;
 - (2) Changes in or extremes of temperature; or
 - (3) Rain, snow, sand, dust, ice or sleet.
2. The special limit shown for each category, a. through c., is the total limit for loss of or damage to all property in each category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
 - a. \$25,000 for furs, fur garments and garments trimmed with fur.
 - b. \$25,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals, but;
 - (1) This limit is increased to \$50,000 for gold, silver, platinum, and other precious alloys or metals used as a raw material in your manufacturing process; and
 - (2) This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$5,000 for stamps, tickets (including lottery tickets held for sale) and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.
3. If the building where loss or damage occurs has been "vacant" for a period of more than 60 consecutive days before that loss or damage occurs:
 - a. We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (1) Vandalism;
 - (2) Sprinkler leakage, unless you have protected the system against freezing;
 - (3) Building glass breakage;
 - (4) Water damage;
 - (5) Theft; or
 - (6) Attempted theft.
 - b. With respect to Covered Causes of Loss other than those listed in a.(1) through a.(6) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

E. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedules, Coverage Form(s), or Endorsement(s).

Payments under:

1. The following Additional Coverages:
 - a. Fire Department Service Charge;
 - b. Fire Protective Equipment Discharge;
 - c. Limited Coverage for Fungus, Wet Rot or Dry Rot;
 - d. Stored Water; and
 - e. Water or Other Substance Loss – Tear Out and Replacement Expense;
- and
2. The following Coverage Extensions:
 - a. Covered Leasehold Interest – Undamaged Improvements and Betterments; and
 - b. Theft Damage To Rented Property;

are included in and do not increase the applicable Limits of Insurance.

Payments under the Debris Removal Additional Coverage and the Preservation of Property Additional Coverage are included in the applicable Covered Property Limit(s) of Insurance and/or are additional insurance, as described in the Debris Removal Additional Coverage in Section A.3.a. and the Preservation of Property Additional Coverage in Section A.3.j.

Payments under the Electronic Data Processing Data and Media Coverage Extension are included in the applicable Covered Property Limit(s) of Insurance and/or are additional insurance, as described in the Electronic Data Processing Data and Media Coverage Extension in Section A.4.g.

The remaining Additional Coverages in Section A.3. and the remaining Coverage Extensions in Section A.4. are additional insurance.

F. DEDUCTIBLE

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

Unless otherwise stated, if more than one deductible amount applies to loss or damage in any one occurrence, the total of the deductible

amounts applied in that occurrence will not exceed the amount of the largest applicable deductible.

G. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions – Deluxe:

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties in the Event of Loss or Damage

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when, and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set

the damaged property aside and in the best possible order for examination.

- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property and records proving the loss or damage and examine your books and records.

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

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
 - (9) You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent except as respects to protecting property from further damage.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property subject to **b.**, **c.**, **d.** and **e.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or

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

- b. 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 Coverage Part provisions including Limits of Insurance, the Valuation Loss Condition and all other provisions of this Loss Payment Loss Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Additional Condition – Transfer of Rights of Recovery Against Others To Us in this Coverage Form.
- c. Except as provided in the Additional Coverage - Ordinance or Law Coverage, the cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- d. The following loss payment provisions are subject to the apportionment procedures set forth in Additional Coverage – Ordinance or Law Coverage:

The most we will pay, for the total of all covered losses in any one occurrence under Coverage **A** – Coverage For Loss To The Undamaged Portion of the Building, Coverage **B** – Demolition Cost Coverage and Coverage **C** – Increased Cost of Construction Coverage, is the Combined Limit of Insurance shown in the Declarations for Ordinance or Law Coverage. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

- (1) For a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that undamaged portion of the building will be determined as follows:

 - (a) If Replacement Cost Coverage applies and the property is being repaired or replaced, on the same or another location, we will not pay more than the lesser of:

 - (i) The cost to repair, rebuild or reconstruct the undamaged portion of the building that was necessarily demolished as a consequence of the ordinance or law but not for more than the amount it would cost to restore that undamaged portion of the building on the same location and to the same height, floor area, style and comparable quality of the original property insured; or
 - (ii) The Combined Limit of Insurance shown in the Declarations for the Additional Coverage – Ordinance or Law Coverage.
 - (b) If Replacement Cost Coverage applies and the property is not repaired or replaced, or if Replacement Cost Coverage does not apply, we will not pay more than the lesser of:

 - (i) The Actual Cash Value at the time of loss of the undamaged portion of the building that is required to be demolished as a consequence of the ordinance or law; or
 - (ii) The Combined Limit of Insurance shown in the Declarations for the Additional Coverage – Ordinance or Law Coverage.
- (2) Loss payment under Coverage B will be determined as follows:

 - (a) The amount you actually spend to demolish and clear the site; or
 - (b) The Combined Limit of Insurance shown in the Declarations for the
- Additional Coverage – Ordinance or Law Coverage;
whichever is less.
- (3) Loss payment under Coverage C will be determined as follows:

 - (a) We will not pay under Coverage C:

 - (i) Until the property is actually repaired or replaced, at the same or another location; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same location, or if you elect to rebuild at another location, the most we will pay under Coverage C is the lesser of:

 - (i) The increased cost of construction at the same location; or
 - (ii) The Combined Limit of Insurance shown in the Declarations for the Additional Coverage – Ordinance or Law Coverage.
 - (c) If the ordinance or law requires relocation to another location, the most we will pay under Coverage C is the lesser of:

 - (i) The increased cost of construction at the new location; or
 - (ii) The Combined Limit of Insurance shown in the Declarations for the Additional Coverage – Ordinance or Law Coverage.
- e. Except as specifically provided under the:

 - (1) Green Building Alternatives – Increased Cost Additional Coverage; and
 - (2) Green Building Reengineering and Recertification Expense Additional Coverage;

the cost to repair, rebuild or replace does not include any cost incurred to reattain a pre-loss level of "green building" certification from a "Green Authority".

- f. With respect to our options listed in **4.a.(1)** through **4.a.(4)** above, we will give notice of our intentions within 30 days after we receive the proof of loss.
- g. We will not pay you more than your financial interest in the Covered Property.
- h. 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 owner's property. We will not pay the owners more than their financial interest in the Covered Property.
- i. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- j. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if:
 - (1) You have complied with all of the terms of this Coverage Part; and
 - (2) (a) We have reached agreement with you on the amount of loss; or
 - (b) An appraisal award has been made.
- k. At our option, we may make a partial payment toward any claims, subject to the policy provisions and our normal adjustment process. To be considered for a partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property.

- a. We will pay:
 - (1) Recovery expenses; and
 - (2) Costs to repair the recovered property;
- b. But the amount we will pay will not exceed:

- (1) The total of **a.(1)** and **a.(2)** above;
- (2) The value of the recovered property; or
- (3) The Limit of Insurance; whichever is less.

6. Valuation

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

- a. At replacement cost as of the time of loss or damage, except as otherwise provided in this Valuation Loss Condition. Replacement cost is the cost to replace Covered Property at the time of loss or damage without deduction for depreciation.

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

Instead, we will pay on an actual cash value basis. This restriction does not apply to losses less than \$10,000.

- (3) We will not pay more for loss or damage on a replacement cost basis than the least of **(a)**, **(b)**, or **(c)**, subject to **(4)** below:
 - (a) The Limit of Insurance applicable to the lost or damaged property;
 - (b) The cost to replace, at the same premises, the lost or damaged property with other property;
 - (i) Of comparable material and quality; and

(ii) Used for the same purpose;
or

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

If a building is rebuilt at a different premises, the cost described in (b) above is limited to the cost which would have been incurred had the building been built at the original premises.

(4) The cost to repair, rebuild, or replace 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 the Additional Coverage - Ordinance or Law Coverage.

b. "Electronic data processing equipment" will be valued at replacement cost as of the time and place of loss, in accordance with the replacement cost provisions contained in this Valuation Loss Condition. However, if replacement of "electronic data processing equipment" with comparable property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but which may include technological advances.

In no event will the value determined for:

(1) "Electronic data processing equipment" owned by others exceed the amount for which you are liable; or

(2) "Electronic data processing equipment" that is obsolete or no longer used by you exceed the actual cash value of such equipment at the time of loss.

c. "Electronic data processing data and media" will be valued at:

(1) The cost of blank media; and

(2) The cost of labor to copy the electronic data from a duplicate of the electronic data, but only if the lost electronic data is actually copied.

The restoration of "electronic data processing data and media" for which duplicates do not exist is provided under the

Electronic Data Processing Data and Media Coverage Extension.

d. Tenant's improvements and betterments at:

(1) Replacement cost of the lost or damaged property if it is actually repaired or replaced as soon as reasonably possible.

(2) A proportion of your original cost if you do not make repairs as soon as reasonably possible. 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.

e. Personal property you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

f. Personal property of others at the lesser of:

(1) The valuation of such property if it were owned by you; or

(2) The amount for which you are contractually liable, not to exceed the replacement cost.

g. "Stock" in process at the cost of raw materials and labor, plus the proper proportion of overhead charges.

h. Finished "stock" you manufacture at:

(1) The selling price, as if no loss or damage occurred;

(2) Less discounts and expenses you otherwise would have had.

i. Personal property in transit at:

(1) (a) The amount of invoice; or

- (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) 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. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions – Deluxe:

1. 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:

- a. This Coverage Part;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Coverage Part.

2. Control of Property

The breach of any condition of this Coverage Part as a result of act or neglect of any person other than you beyond your direction or control will not affect this insurance.

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

3. Currency

The amounts used within this Coverage Part are in the currency of the United States of America and all premium and losses are payable in United States currency. In the event of a loss adjustment involving currency other than United States currency, the conversion into United States currency will be at the published rate of exchange as of the date of the loss.

4. Legal Action Against Us

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

- a. There has been full compliance with all of the terms of this Coverage Part; and

- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Liberalization

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

6. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

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

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - (2) 60 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 60 days before the expiration date of this policy.

7. No Benefit to Bailee

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

8. Other Insurance

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in Paragraph a. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
- c. If loss or damage is also covered by a service agreement, any amounts payable for such loss or damage under this Coverage Part will be excess over any amounts payable under such agreement. Service agreement means a service plan, property restoration plan, or similar ser-

vice warranty agreement, even if it is characterized as insurance.

9. Policy Period, Coverage Territory

Under this Coverage Part:

- a. We cover loss or damage commencing:
 - (1) During the policy period shown in the Declarations; and
 - (2) Within the Coverage Territory.
- b. Except as otherwise specifically provided, the Coverage Territory is:
 - (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.

10. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss under this Coverage Part.
- b. After a loss under this Coverage Part only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
 - (3) Your tenant.

This will not restrict your insurance.

11. Unintentional Errors In Description

Your error in how you describe the address of a location in the Location Schedule shall not prejudice coverage afforded by this policy, provided such error is not intentional. Any such error shall be reported and corrected when discovered and appropriate premium charged.

I. OPTIONAL COVERAGES

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

1. **Actual Cash Value** replaces the term Replacement Cost where used in the Valuation Loss Conditions in Section G.6. of this Coverage Form.

2. **Inflation Guard**

a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.

b. The amount of increase will be:

(1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance; times

(2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08); times

(3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

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

The annual percentage increase is: 8%

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

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

J. **DEFINITIONS**

1. **"Electronic Data Processing Data and Media"** means the following:

a. "Electronic data processing data and media" means:

(1) Data stored on, created or used on, or transmitted to or from computer software (including systems and applications software) on electronic data processing recording or storage media such as hard or floppy disks, CDs, DVDs, flash memory, tapes, drives, cells, data processing devices or any other repositories of computer

software which are used with electronically controlled equipment;

(2) The electronic media on which the data is stored; and

(3) Programming records and instructions used with "electronic data processing equipment".

b. "Electronic data processing data and media" does not mean:

(1) Prepackaged software;

(2) Property that you manufacture or hold for sale; or

(3) Property that is licensed, leased, or rented to others.

2. **"Electronic Data Processing Equipment"** means the following:

a. "Electronic data processing equipment" means any of the following equipment used in your data processing operations:

(1) Electronic data processing equipment, facsimile machines, word processors, multi-functional telephone equipment and laptop and portable computers; and

(2) Any component parts or peripherals of such equipment, including related surge protection devices.

b. "Electronic data processing equipment" does not mean:

(1) Property that is in the course of manufacture, or held for sale or distribution by you;

(2) Property that is leased or rented to others; or

(3) Equipment that is used to control or operate production-type machinery or equipment.

3. **"Employee Tools"** means tools and equipment owned by your employees and used in your business operations.

4. **"Exhibition"** means the temporary display of personal property at a convention, exposition, trade show or similar event at a location you do not own or regularly occupy.

5. **"Fine Arts"** means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac and

similar property of rarity, historical value, or artistic merit.

6. **"Fungus"** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents, or by-products produced or released by fungi.
7. **"Green"** means products, materials, methods and processes that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize the environmental impact.
8. **"Green Authority"** means a recognized authority on "green" building or "green" products, materials or processes.
9. **"Interior of a Building or Structure"** means any portion of a building or structure that is within the exterior-facing surface material of the building or structure.
10. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste and any unhealthful or hazardous building materials (including but not limited to asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.
11. **"Sinkhole Collapse"** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

This cause of loss does not include:

 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man made underground cavities.
12. **"Specified Causes of Loss"** means the following: Fire; lightning; explosion; windstorm or hail; smoke (including the emission or puff back of smoke, soot, fumes or vapors from a boiler, furnace or related equipment); aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects as limited below; weight of snow, ice or sleet; "water damage", all only as otherwise insured against in this Coverage Part.

Falling objects does not include loss or damage to:

- a. Personal property in the open; or

- b. The "interior of a building or structure", or property inside a building or structure, unless the roof or an exterior wall of the building or structure is first damaged by a falling object.

When the Causes of Loss – Earthquake endorsement, Causes of Loss – Earthquake Sprinkler Leakage endorsement or Causes of Loss – Broad Form Flood endorsement is included in this Coverage Part, "specified causes of loss" also includes such cause of loss, but only to the extent such cause of loss is insured against under this Coverage Part.

13. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
14. **"Territorial Waters"** means that portion of the sea which is immediately adjacent to the shores of any country and over which the sovereignty and exclusive jurisdiction of that country extends, but not exceeding 12 nautical miles from the mean low-water mark of the shore of that country.
15. **"Vacant"** means the following:
 - a. When this policy is issued to a tenant, a building is "vacant" when it does not contain enough business personal property to conduct customary operations. With respect to tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant.
 - b. When this policy is issued to the owner or general lessee of a building, a building is "vacant" unless at least 31% of its total square footage is:
 - (1) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
 - (2) Used by the building owner to conduct customary operations.With respect to the owner or general lessee's interest in Covered Property, building means the entire building.
 - c. A building under construction or renovation is not considered "vacant".
16. **"Valuable Papers and Records"** means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps and mortgages.

But "Valuable papers and records" does not mean:

- a. Accounts receivable;
- b. Money or securities; or
- c. "Electronic data processing data and media" or any other data that exists on electronic media.

17. "Water damage" means:

- a. Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts)

that is located on the described premises and contains water or steam; and

- b. Accidental discharge or leakage of water as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises, if the breakage or cracking is caused by wear and tear. This provision serves as an exception to the wear and tear exclusion under the Other Types of Losses Exclusion in Section (C.2.i.). But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion (C.1.I.).

DELUXE BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. REFER TO SECTION G. – DEFINITIONS in this Coverage Form and SECTION J. – DEFINITIONS in the Deluxe Property Coverage Form.

A. COVERAGE

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"; and
- The actual Extra Expense you incur during the "period of restoration";

caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income and Extra Expense Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- The portion of the building which you rent, lease or occupy; and
- Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

1. Business Income

a. Business Income means the sum of the:

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

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

b. The coverage provided for Business Income is based on the entry shown in the Declarations for "Rental Value". When:

- (1) *Included* is shown, the term Business Income includes "Rental Value";
- (2) *Excluded* is shown, the term Business Income excludes "Rental Value";
- (3) *Only* is shown, the term Business Income means "Rental Value" only.

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

2. Extra Expense

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

- a. Expenses to avoid or minimize the "suspension" of business and to continue "operations" at:
 - (1) The described premises; or
 - (2) Replacement premises or temporary locations, including:
 - (a) Relocation expenses; and
 - (b) Costs to equip and operate the replacement premises or temporary locations;
- b. Expenses to minimize the "suspension" of business if you cannot continue "operations"; or
- c. Expenses to repair or replace property, but only to the extent the amount of loss that otherwise would have been payable under this Coverage Form is reduced.

Do not add this form to a policy. It is for informational use only.

3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is excluded or limited in:

- a. Section C. Exclusions or Section D. Limitations of the Deluxe Property Coverage Form; or
- b. Section B. Exclusions and Limitation of this Coverage Form; or
- c. In the Declarations or by endorsement.

4. Additional Coverages

Each of the following Additional Coverages applies subject to the Limit(s) of Insurance stated in this Coverage Form, unless a revised Limit of Insurance or *Not Covered* is indicated in the Declarations or the coverage is otherwise amended by endorsement:

a. Alterations and New Buildings

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

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

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred. This change in the start of the "period of restoration" does not apply to Extra Expense.

b. Business Income From Dependent Property

- (1) We will pay for:
 - (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "op-

erations" during the "period of restoration"; and

- (b) The actual Extra Expense you incur during the "period of restoration";

caused by direct physical loss of or damage to property at the premises of a "dependent property" located anywhere in the world provided that no sanction, embargo or similar regulation imposed by the United States of America prohibits us from covering such loss. The loss or damage to the property must be caused by or result from a Covered Cause of Loss.

- (2) This Additional Coverage does not apply to "dependent property" for which you have more specific insurance under this or any other policy.

- (3) The most we will pay in any one occurrence under this Additional Coverage for loss of Business Income and Extra Expense arising out of damage to property at the premises of a "dependent property" located:

- (a) Within the Coverage Territory is \$100,000; and
- (b) Anywhere in the world outside of the Coverage Territory is \$100,000.

- (4) With respect only to the insurance provided under this Additional Coverage, the phrase, *at the described premises*, as used in the definition of "period of restoration" is deleted and replaced by the phrase *at the premises of a "dependent property"*.

c. Civil Authority

- (1) When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and the actual Extra Expense you incur caused by action of civil authority that prohibits access to the described 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

the described premises are within that area but are not more than 100 miles from the damaged property; 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.

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

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

(a) Thirty consecutive days after the date of that action; or

(b) When your Civil Authority Coverage for Business Income ends; whichever is later.

d. Contract Penalties

(1) We will pay for Contract Penalties you incur due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" of your "operations" must be caused by direct physical loss or damage by a Covered Cause of Loss to property at the described premises, including "finished stock" and personal property in the open (or in a vehicle) within 1,000 feet of the described premises.

(2) As used in this Additional Coverage, Contract Penalties means amounts which, under the terms of a written contract that is in effect at the time of the direct physical loss or damage, you are required to pay to your customers for failure to deliver your products or services on time.

(3) The most we will pay for all Contract Penalties incurred in any one occurrence under this Additional Coverage, regardless of the number of contracts involved is \$25,000.

e. Extended Business Income

(1) Business Income Other Than "Rental Value"

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

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

(b) Ends on the earlier of:

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

(ii) 180 consecutive days after the date determined in (1)(a) above, unless otherwise stated in the Declarations or by endorsement.

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

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

(2) "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:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 180 consecutive days after the date determined in (2)(a) above, unless otherwise stated in the Declarations or by endorsement.

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

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

f. Fungus, Wet Rot or Dry Rot – Amended Period of Restoration

- (1) The coverage described in f.(2) and f.(3) below only applies when "fungus", wet rot or dry rot is the result of any of the "specified causes of loss", other than fire or lightning, that occurs at the described premises during the policy period, and only if all reasonable means have been used to save and preserve the property from further damage at the time of and after that occurrence.
- (2) If the cause of loss at the described premises which results in "fungus", wet rot or dry rot does not, in itself, necessitate a "suspension" of "operations", but such "suspension" of "operations" is necessary due to loss or damage to property at the described premises caused by "fungus", wet rot or dry rot, then our payment for loss of Business Income and Extra Expense is limited to the actual amount

of such loss and expense sustained during a period of not more than 30 days unless another number of days is shown in the Declarations. The days need not be consecutive.

- (3) If a covered "suspension" of "operations" is caused by a cause of loss at the described premises other than "fungus", wet rot or dry rot, but remediation of resulting loss by "fungus", wet rot or dry rot prolongs the "period of restoration", we will pay for the actual loss of Business Income and the actual Extra Expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to a period of not more than 30 days unless another number of days is shown in the Declarations. The days need not be consecutive.
- (4) The Fungus, Wet Rot or Dry Rot exclusion in Section C.1.c. of the Deluxe Property Coverage Form does not apply to the insurance specifically provided under this Additional Coverage.

g. Green Building Alternatives – Increased Period of Restoration

If direct physical loss or damage by a Covered Cause of Loss occurs to a building at a described premises, we will pay for the actual loss of Business Income you sustain and the actual Extra Expense you incur during the reasonable and necessary increase in the "period of restoration" that is incurred to:

- (1) Repair or replace the lost or damaged portions of the building using products or materials that:
 - (a) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
 - (b) Are otherwise of comparable quality and function to the damaged property;
- and
- (2) Employ "green" methods or processes of construction, disposal or recycling in the course of repair and replacement of the lost or damaged

building, in accordance with the documented standards of a "Green Authority";

subject to a maximum of 30 additional days, unless another number of days is shown in the Declarations, from the date the "period of restoration" would otherwise have ended.

h. Ordinance or Law – Increased Period of Restoration

(1) If direct physical loss or damage by a Covered Cause of Loss occurs to property at the described premises, we will pay for the actual loss of Business Income you sustain and the actual Extra Expense you incur during the reasonable and necessary increase in the "period of restoration" caused by or resulting from the enforcement of any ordinance or law which:

- (a) Regulates the construction or repair of any property;
- (b) Requires the tearing down of parts of property not damaged by a Covered Cause of Loss; and
- (c) Is in force at the time of loss.

However, this Additional Coverage applies only to the increased period required to repair or reconstruct the property to comply with the minimum standards of such ordinance or law.

(2) This Additional Coverage does not apply to any loss caused by or resulting from:

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

ants", "fungus", wet rot or dry rot;

or

(b) The enforcement of any ordinance or law which:

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

(ii) You failed to comply with.

(3) The Ordinance or Law exclusion in Section C.1.h. of the Deluxe Property Coverage Form does not apply to the insurance specifically provided under this Additional Coverage.

(4) The most we will pay for loss and expense in any one occurrence under this Additional Coverage is \$250,000.

5. Coverage Extensions

Each of the following Coverage Extensions applies subject to the Limit of Insurance stated in this Coverage Form, unless a different Limit of Insurance or *Not Covered* is indicated in the Declarations, or the coverage is otherwise amended by endorsement:

a. Claim Data Expense

(1) You may extend the insurance provided by this Coverage Form to apply to the reasonable expenses you incur in the preparation of claim data when we require it to adjust a covered loss. This includes the cost of preparing income statements and other documentation to show the extent of loss.

(2) We will not pay for:

- (a) Any expenses incurred, directed or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
- (b) Any costs as provided in the Appraisal Loss Condition; or
- (c) Any expenses incurred, directed or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.

(3) The most we will pay in any one occurrence under this Extension is \$25,000.

b. Ingress or Egress

(1) You may extend the insurance provided by this Coverage Form for:

- (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and
- (b) The actual Extra Expense you incur during the "period of restoration";

to apply to the actual amount of such loss of Business Income and Extra Expense that you incur when ingress to or egress from the described premises is prevented (other than as provided in the Civil Authority Additional Coverage).

(2) The prevention of ingress to or egress from the described premises must be caused by direct physical loss or damage by a Covered Cause of Loss to property that is away from, but within 1 mile of the described premises, unless a different number of miles is shown in the Declarations. This coverage will apply for up to 30 consecutive days from the date when the ingress or egress is first prevented.

(3) The most we will pay under this Extension for the sum of Business Income loss and Extra Expense incurred in any one occurrence is \$25,000.

c. Newly Acquired Locations

(1) You may extend the insurance provided by this Coverage Form for:

- (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and
- (b) The actual Extra Expense you incur during the "period of restoration";

to apply to the actual amount of such loss of Business Income and Extra Expense that you incur caused by direct physical loss or damage by a Covered Cause of Loss to property (including property under construc-

tion) at any location you newly acquire by purchase, lease or otherwise, other than at "exhibitions".

(2) The most we will pay under this Extension for the sum of Business Income loss and Extra Expense incurred in any one occurrence is \$500,000 at each newly acquired location.

(3) With respect only to the insurance provided under this Extension, the phrase, *at the described premises*, as used in the definition of "period of restoration" is deleted and replaced by the phrase *at a newly acquired location*.

(4) Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (a) This policy expires;
- (b) 180 days expire after you acquire or begin to construct the property;
- (c) You report the location to us; or
- (d) Coverage for Business Income and Extra Expense at the location is more specifically insured.

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

d. Pollutant Cleanup and Removal

(1) You may extend the insurance provided by this Coverage Form for:

- (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and
- (b) The actual Extra Expense you incur during the "period of restoration";

to apply to the actual amount of such loss of Business Income and Extra Expense that you incur during the increased period of time necessarily required to extract "pollutants" from land or water at the described premises.

(2) The insurance provided under this Extension applies only if the discharge, dispersal, seepage, migration, release or escape of the "pollut-

ants" into the land or water is caused by or results from direct physical loss or damage by any of the "specified causes of loss" which occurs:

- (a) To property at the described premises that is Covered Property under the Deluxe Property Coverage Form of this policy; and
 - (b) During the Policy Period.
- (3) The most we will pay under this Extension for the sum of Business Income loss and Extra Expense incurred arising out of all "specified causes of loss" that occur during each separate 12 month period of this policy (beginning with the effective date of this policy), is \$25,000.

e. Transit Business Income

- (1) You may extend the insurance provided by this Coverage Form for:

- (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and
- (b) The actual Extra Expense you incur during the "period of restoration";

to apply to the actual amount of such loss of Business Income and Extra Expense that you incur caused by direct physical loss or damage by a Covered Cause of Loss to property while in the due course of transit at your risk within the Coverage Territory.

- (2) This Extension does not apply to loss caused by or resulting from loss of or damage to:

- (a) Shipments by a government postal service, except by registered mail;
- (b) Export and import shipments while covered under an ocean marine cargo or other insurance policy;
- (c) Property while waterborne except while in transit by inland water carriers or by coastwise vessels operating within "territorial waters";

- (d) Property of others for which you are responsible while acting as a common or contract carrier, car-loader, freight forwarder, freight consolidator, freight broker, shipping association or similar arranger of transportation, or as a public warehouseman;

- (e) Property within a conveyance or container caused by theft while the conveyance or container is unattended unless the portion of the conveyance or container containing the property is fully enclosed and securely locked, and the theft is by forcible entry of which there is visible evidence; or

- (f) The transporting conveyance.

- (3) With respect only to the insurance provided under this Extension, the phrase, *at the described premises*, as used in the definition of "period of restoration" is deleted and replaced by the phrase *in the due course of transit*.

- (4) The most we will pay under this Extension for the sum of Business Income loss and Extra Expense incurred in any one occurrence is \$25,000.

f. Undescribed Premises

- (1) You may extend the insurance provided by this Coverage Form for:

- (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and
- (b) The actual Extra Expense you incur during the "period of restoration";

to apply to the actual amount of such loss of Business Income and Extra Expense that you incur caused by direct physical loss or damage by a Covered Cause of Loss to property at Undescribed Premises, as defined in (2) below.

- (2) Undescribed Premises, as used in this Extension, means premises:

- (a) Owned, leased or operated by you; or

- (b) Not owned, leased or operated by you, where your business personal property or business personal property of others in your care custody or control is located; that are within the Coverage Territory and not described in the Declarations nor reported to or accepted by us for coverage under this Coverage Form.
- (3) This Extension does not apply to loss caused by or resulting from loss or damage to property:
 - (a) At the premises of a "dependent property";
 - (b) At any location to which the Newly Acquired Locations Coverage Extension applies; or
 - (c) In the due course of transit.
- (4) The most we will pay under this Extension for the sum of Business Income loss and Extra Expense incurred in any one occurrence is \$25,000.
- (5) With respect only to the insurance provided under this Extension, the phrase *at the described premises*, as used in the definition of "period of restoration", is replaced by the phrase *at Undescribed Premises*.

B. EXCLUSIONS AND LIMITATION

The following exclusions and limitation apply in addition to the exclusions and limitations contained in the Deluxe Property Coverage Form.

1. Exclusions

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 does not apply to Extra Expense or to the insurance provided under the Contract Penalty Additional Coverage.
- b. Any loss caused by or resulting from direct physical loss of or damage to the following property:
 - (1) Harvested grain, hay, straw or other crops while outside of buildings;

- (2) Outdoor trees, shrubs, plants, lawns (including fairways, greens and tees), artificial turf and associated underlayment, growing crops, land or water;
 - (3) Communication, radio or television antennas (including satellite dishes), and their lead-in wiring, masts or towers;
 - (4) Animals, unless the loss is caused by or results from a "specified cause of loss", and then only if, as a direct result of the "specified cause of loss", the animals are killed or their death or destruction is made necessary; or
 - (5) Human body parts and fluids, including organs, tissues, blood and cells.
- 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. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage or any variation thereof.
 - 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 consequential loss including fines and penalties, except as specifically provided under the Contract Penalties Additional Coverage.

2. Limitation – Electronic Media and Records

- a. We will not pay for any loss of Business Income caused by direct physical loss of or damage to electronic media and records after the longer of:
 - (1) 60 consecutive days from the date of direct physical loss or damage; or

- (2) The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises (or other location of the loss to which this insurance applies) which suffered loss or damage in the same occurrence.

This Limitation does not apply to Extra Expense.

b. Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as hard or floppy disks, CDs, DVDs, flash memory, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

EXAMPLE NO. 1

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the computer data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

EXAMPLE NO. 2

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedules, Coverage Form(s), or Endorsement(s).

Payments under:

1. The following Additional Coverages:

- a. Alterations and New Buildings;
- b. Civil Authority;
- c. Extended Business Income;
- d. Fungus, Wet Rot or Dry Rot – Amended Period of Restoration;
- e. Green Building Alternatives – Increased Period of Restoration;

and

2. The Ingress or Egress Coverage Extension; are included in and do not increase the applicable Limits of Insurance.

The remaining Additional Coverages in Section A.4. and the remaining Coverage Extensions in Section A.5. are additional insurance.

D. DEDUCTIBLE

1. An hour deductible applies to your Business Income coverage. We will not pay for loss of Business Income in any one occurrence that is incurred during the period of time that:
 - a. Begins at the time of direct physical loss or damage that triggers the Business Income coverage; and
 - b. Continues for the consecutive number of hours shown in the Declarations as the applicable Business Income hour deductible.
2. The Business Income hour deductible described in 1. above does not:
 - a. Apply to or alter the coverage period that applies to the Business Income coverage provided under the Civil Authority Additional Coverage; or
 - b. Apply to the Contract Penalties Additional Coverage.
3. If a separate dollar deductible applies to other loss or damage in that same occurrence under this Coverage Part, such dollar deductible will apply to that other loss or damage and only the hourly deductible will apply to your loss of Business Income.
4. No deductible applies to Extra Expense.

E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions – Deluxe, the Loss Condition – Duties in the Event of Loss in the Deluxe Property Coverage Form and the Additional Conditions in the Deluxe Property Coverage Form:

1. Appraisal

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

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

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

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

2. Duties in the Event of Loss – Additional Duty

The following duty applies in addition to the duties specified in the Loss Condition – Duties in the Event of Loss in the Deluxe Property Coverage Form:

If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business as a result of favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses necessary to resume "operations" with the same quality of service that existed just be-

fore the direct physical loss or damage; and

- (4) Other relevant sources of information, including:

- (a) Your financial records and accounting procedures;
- (b) Bills, invoices and other vouchers; and
- (c) Deeds, liens or contracts.

- b. The amount of Extra Expense will be determined based on:

- (1) All reasonable and necessary expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

- (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and

- (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- (2) All reasonable and necessary expenses that reduce the Extra Expense loss that otherwise would have been incurred.

c. Resumption of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations" in whole or in part, by using damaged or undamaged property (including merchandise or "stock") at the described premises or elsewhere and, with respect to the Business Income From Dependent Property Additional Coverage, by using any other available source of materials or outlet for your products.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

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

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if:

- a. You have complied with all of the terms of this Coverage Part; and
- b. (1) We have reached agreement with you on the amount of loss; or
(2) An appraisal award has been made.

F. OPTIONAL COVERAGES

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

1. Maximum Period of Indemnity

The most we will pay for the total loss of Business Income, including the Extended Business Income Additional Coverage, and Extra Expense is the lesser of:

- a. The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- b. The Limit of Insurance shown in the Declarations.

2. Monthly Limit of Indemnity

The most we will pay for loss of Business Income, including the Extended Business Income Additional Coverage, in each period of 30 consecutive days after the beginning of the "period of restoration" is:

- a. The Limit of Insurance, multiplied by
- b. The fraction shown in the Declarations for this Optional Coverage.

EXAMPLE:

When: The Limit of Insurance is: \$120,000

The fraction shown in the Declarations for this Optional Coverage is: 1/4

The most we will pay for loss in each period of 30 consecutive days is:

$\$120,000 \times 1/4 = \$30,000$

If in this example, the actual amount of loss is:

Days 1 – 30	\$40,000
Days 31 – 60	\$20,000
Days 61 – 90	<u>\$30,000</u>
	\$90,000

We will pay:

Days 1 – 30	\$30,000
Days 31 – 60	\$20,000
Days 61 – 90	<u>\$30,000</u>
	\$80,000

The remaining \$10,000 is not covered.

3. Ordinary Payroll Exclusion or Limitation

a. When the Declarations shows:

- (1) Ordinary Payroll is excluded, the Business Income coverage provided for continuing normal operating expenses incurred does not include Ordinary Payroll;
- (2) Ordinary payroll is limited to a specified number of days, the Business Income coverage provided for continuing normal operating expenses incurred only includes Ordinary Payroll for the specified number of days. The number of days may be used in two separate periods during the "period of restoration".

b. Ordinary payroll expenses mean payroll expenses for all your employees except:

- (1) Officers;
- (2) Executives;
- (3) Department managers;
- (4) Employees under contract; and
- (5) Additional Exemptions, shown by endorsement as:
 - (a) Job Classifications; or
 - (b) Employees.

c. Ordinary payroll expenses include:

- (1) Payroll;
- (2) Employee benefits, if directly related to payroll;
- (3) FICA payments you pay;
- (4) Union dues you pay; and
- (5) Worker's compensation premiums.

G. DEFINITIONS

1. **"Dependent Property"** means property operated by others you directly 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 services, including services relating to internet access or access to any electronic, cellular or satellite network.

b. Accept your products or services (Recipient Locations);

c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or

d. Attract customers to your business (Leader Locations).

2. **"Finished Stock"** means "stock" you have manufactured.

"Finished Stock" also includes whiskey and alcoholic products being aged.

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

3. **"Operations"** means:

a. Your business activities occurring at the described premises even if such activities would not have produced income during the "period of restoration", such as research and development activities; and

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

4. **"Period of Restoration"**

a. "Period of Restoration" means the period of time that:

- (1) (a) For Business Income coverage, begins once the number of hours of the applicable Business Income hour deductible, if any, expires following the time of direct physical loss or damage; and

(b) For Extra Expense coverage begins immediately after the time of direct physical loss or damage;

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

(2) Ends on the earlier of:

(a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(b) The date when business is resumed at a new permanent location.

b. "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

(1) Regulates the construction, use or repair, or requires the tearing down, of any property, except as provided in the Ordinance or Law-Increased Period of Restoration Additional Coverage; 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 "fungus", wet rot or dry rot, except as provided in the Fungus, Wet Rot or Dry Rot - Amended Period of Restoration Additional Coverage; or

(3) 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" except as provided in the Pollutant Clean Up and Removal Coverage Extension.

c. "Period of restoration" does not include any increased period required to attain a pre-loss level of "green" building certification from a "Green Authority". But this does not apply to any increase in the "period of restoration" otherwise insured under the Green Buildings Alternatives - Increased Period of Restoration Additional Coverage.

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

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

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

(1) Payroll; and

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

6. **"Suspension"** means:

- a. The partial or complete cessation of your business activities; or
- b. That a part or all of the described premises is rendered untenable, if coverage for Business Income including "Rental Value" or "Rental Value" only applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT

CAUSES OF LOSS – EARTHQUAKE

This endorsement modifies insurance provided under the following:

DELUXE PROPERTY COVERAGE PART

A. APPLICATION OF THIS ENDORSEMENT

1. This endorsement applies at the premises location(s) of the building number(s) for which an Earthquake Limit of Insurance is shown in the Declarations.

This endorsement also applies to:

- a. The Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form;
 - b. The Newly Acquired Locations Coverage Extension in the Business Income (And Extra Expense), Business Income (Without Extra Expense) and Extra Expense Coverage Forms;
 - c. The Civil Authority Additional Coverage in the Business Income (And Extra Expense), Business Income (Without Extra Expense) and Extra Expense Coverage Forms, but only with respect to such loss of Business Income and/or Extra Expense incurred at the premises of the building number(s) for which an Earthquake Limit of Insurance is shown in the Declarations; and
 - d. Utility Services – Direct Damage or Utility Services – Time Element coverage provided under this Coverage Part, if any, but only with respect to such direct damage loss or loss of Business Income and/or Extra Expense that is incurred at the premises of the building number(s) for which an Earthquake Limit of Insurance is shown in the Declarations.
2. Except as provided in A.1.a. through A.1.d. above, this endorsement does not apply to loss or damage caused by or resulting from Earthquake or Volcanic Eruption that occurs away from the premises location(s) of the building number(s) for which an Earthquake Limit of Insurance is shown in the Declarations.

3. This endorsement does not apply to, or modify, any limits or deductibles that apply to:

- a. The insurance otherwise provided under this Coverage Part for loss or damage by fire or explosion that results from earth movement other than volcanic eruption, explosion or effusion, or for loss or damage by fire, building glass breakage or volcanic action that results from a volcanic eruption, explosion or effusion; or
- b. Any other insurance provided under this Coverage Part for loss or damage to which the Earth Movement exclusion does not apply.

B. COVERED CAUSES OF LOSS

The following are added to the Covered Causes of Loss and the "specified causes of loss":

1. Earthquake, meaning a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural causes.
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 policy will not reduce the 168-hour period.

C. EXCLUSIONS, LIMITATIONS AND RELATED PROVISIONS

1. The Earth Movement exclusion contained in Section C.1.b. of the Deluxe Property Coverage Form does not apply to the coverage provided under this endorsement. The remaining Exclusions and the Limitations that apply to this Coverage Part apply to the coverage provided under this endorsement. For example, loss caused directly or indirectly by a cause of loss excluded under provisions (1)(a) through (1)(e) of the Water exclusion

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contained in Section C.1.I. of the Deluxe Property Coverage Form, such as flood or tidal wave, is excluded even if the flood or tidal wave is attributable to an Earthquake or Volcanic Eruption.

2. The following additional exclusions apply to the coverage provided under this endorsement:
 - a. We will not pay for loss or damage caused by or resulting from any earthquake or volcanic eruption that begins before the inception of this insurance.
 - b. We will not pay for the cost of restoring or stabilizing land or for loss resulting from the time required to restore or stabilize land.
3. The following additional Limitation applies to the coverage provided by this endorsement:

We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Deductible applicable to this endorsement.

This limitation does not apply:

- a. If less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco); or
- b. At any premises location(s) of the building number(s) to which the Cause of Loss – Earthquake Masonry Veneer Coverage endorsement applies, as indicated in the Schedule of that endorsement when it is attached to this policy.

D. UNDERGROUND WIRES, PIPES, FLUES AND DRAINS EXTENSION

Under the Deluxe Property Coverage Form, when Building coverage applies at premises locations to which this endorsement applies, the insurance provided by this endorsement is extended to also apply to direct physical loss or damage by Earthquake or Volcanic Eruption to underground wires, pipes, flues and drains at such premises locations. The exclusion of underground wires, pipes, flues and drains under Section A.2., Property and Costs Not Covered, of the Deluxe Property Coverage Form does not apply to this Extension.

This Extension does not increase the Earthquake Limit of Insurance that applies at such premises locations.

E. LIMITS OF INSURANCE

1. The most we will pay under this endorsement for the total of all loss or damage caused by or resulting from all earthquakes and volcanic eruptions in a 12 month period of this policy (beginning with the effective date of this policy) is the single highest Annual Aggregate Limit of Insurance shown in the Declarations for Earthquake.

Subject to the single highest Annual Aggregate Limit of Insurance shown in the Declarations for Earthquake:

- a. Any individual Annual Aggregate Limit of Insurance shown in the Declarations for Earthquake is the most we will pay under this endorsement for the total of all loss or damage caused by or resulting from all earthquakes and volcanic eruptions in a 12 month period of this policy (beginning with the effective date of this policy) to which such individual Annual Aggregate Limit of Insurance shown in the Declarations for Earthquake applies.
- b. If more than one Annual Aggregate Limit of Insurance applies to loss or damage under this endorsement in any one occurrence, each limit will be applied separately, but the most we will pay under this endorsement for all loss or damage in that occurrence is the single highest involved Annual Aggregate Limit of Insurance applicable to that occurrence.
- c. The most we will pay under this endorsement for the total of:
 - (1) All loss or damage under the Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form; and
 - (2) All loss under the Newly Acquired Locations Coverage Extension in the Business Income (And Extra Expense), Business Income (Without Extra Expense) and Extra Expense Coverage Forms;caused by or resulting from all earthquakes and volcanic eruptions in a 12 month period of this policy (beginning with the effective date of this policy) is \$100,000.

The Annual Aggregate Limit(s) of Insurance applicable to loss or damage under this endorsement is included in and does not increase the Limits of Insurance provided under

this Coverage Part. For example, subject to the applicable Earthquake Annual Aggregate Limit(s) of Insurance, our payment for loss under any Utility Services – Direct Damage or Utility Services –Time Element coverage that is attributable to an Earthquake or Volcanic Eruption to which this endorsement applies will not exceed the Limit of Insurance that applies to that Utility Services – Direct Damage or Utility Services –Time Element coverage.

2. The Annual Aggregate Limit(s) of Insurance applicable to loss or damage under this endorsement applies regardless of the items or types of property, number or types of coverages (including business income and extra expense coverages) or number of premises locations involved. Amounts payable under this endorsement for any item or type of property, or under any coverage, Additional Coverage or Coverage Extension, are subject to the Annual Aggregate Limit(s) of Insurance applicable to loss or damage under this endorsement, and will not:
 - a. Exceed the applicable property and coverage Limits of Insurance provided under this Coverage Part; nor
 - b. Increase the applicable Annual Aggregate Limit(s) of Insurance under this endorsement.

This includes payments under any Debris Removal or Ordinance or Law coverage for loss that is attributable to earthquake or volcanic eruption at premises locations to which this endorsement applies, and covered as a result of the insurance provided under this endorsement.

F. DEDUCTIBLES

The following Deductible provisions apply to the insurance provided by this endorsement. The Deductible(s) applicable to loss or damage under this endorsement apply separately to each occurrence and apply in addition to any other Deductibles in this Coverage Part that apply to loss or damage in the same occurrence.

1. Percent Deductible

If a percentage (%) is shown in the Declarations as applicable, the following applies:

- a. This Deductible is calculated separately for, and applies separately to each of the following items of insurance:
 - (1) Each building, if two or more buildings sustain loss or damage;

- (2) The building and to personal property in that building, if both sustain loss or damage;
- (3) Personal property at each building, if personal property at two or more buildings sustains loss or damage;
- (4) Personal property in the open; and
- (5) Any other property insured under this Coverage Part.

- b. In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 5% or 10% (as shown in the Declarations) of:

- (1) The Limit of Insurance applicable to each item of insurance that has sustained loss or damage when specific insurance applies to that item of insurance, meaning a separate Limit of Insurance applies only to that item of insurance (for example, each building or personal property in a building); or
- (2) The value of each item of insurance that has sustained loss or damage when blanket insurance applies to that item of insurance, meaning a single Limit of Insurance applies to two or more items of insurance (for example, a building and personal property in that building or two buildings). The value to be used is the value shown in the most recent Statement of Values on file with us. If there is no value on file with us for the item of insurance property, we will use the value(s) of the property at the time of loss.

For newly constructed or acquired property to which the Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form applies, we will deduct an amount equal to a percentage of the value of each item of insurance at the time of loss. The applicable percentage used will be the highest percentage that applies at the premises location of any building number for which a percentage Deductible is shown in the Declarations.

- c. When the percentage Deductible shown in the Declarations is subject to:
 - (1) A minimum dollar amount in any one occurrence; or

- (2) A minimum dollar amount in any one occurrence at each premises location;

the percentage Deductible will be calculated as described in 1.a. and 1.b. above, but the minimum amount we will deduct in any one occurrence, or in any one occurrence at each premises location (as indicated in the Declarations), is the minimum dollar amount shown in the Declarations.

- d. We will not pay for loss or damage in any one occurrence under this endorsement until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limits of Insurance.

2. Dollar Deductible

When:

- a. A dollar amount in any one occurrence; or
b. A dollar amount in any one occurrence at each premises location;

is shown as the applicable Deductible in the Declarations, we will not pay for loss or damage in any one occurrence, or in any one occurrence at each premises location (as indicated in the Declarations), until the amount of loss or damage exceeds the applicable Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limits of Insurance.

When no percentage Deductible applies to the insurance provided under this endorsement, the Deductible applicable to newly acquired or constructed property to which the Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form applies is the highest dollar Deductible shown in the Declarations for the premises location of any building number to which this endorsement applies.

3. Hour Deductible

When an hour Deductible is stated in the Declarations, the following is applicable to your Business Income Coverage to which this endorsement applies:

We will not pay for loss of Business Income in any one occurrence that you incur during the period of time that:

- a. Begins at the time of direct physical loss or damage by Earthquake or Volcanic Eruption that triggers the Business Income coverage; and
b. Continues for the consecutive number of hours shown in the Declarations as the applicable Business Income hour Deductible.

The Deductible applicable to Business Income coverage at locations to which the Newly Acquired Locations Coverage Extension in the Business Income (and Extra Expense) Coverage Form or Business Income (Without Extra Expense) Coverage Form applies, is the highest hour Deductible shown in the Declarations for any premises location to which this endorsement applies.

4. No Deductible applies to Extra Expense.
5. When a Deductible is shown in the Declarations for Utility Service – Direct Damage coverage or Utility Services – Time Element coverage, that Deductible will apply to the insurance provided under the Utility Service – Direct Damage coverage or Utility Services – Time Element coverage for loss that is attributable to an Earthquake or Volcanic Eruption to which this endorsement applies. Otherwise, the above Deductible provisions apply to loss under the Utility Service – Direct Damage coverage or Utility Services – Time Element coverage that is attributable to an Earthquake or Volcanic Eruption to which this endorsement applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT

CAUSES OF LOSS – BROAD FORM FLOOD

This endorsement modifies insurance provided under the following:

DELUXE PROPERTY COVERAGE PART

A. APPLICATION OF THIS ENDORSEMENT

1. When a Broad Form Flood Limit of Insurance is shown in the Declarations for a building number, this endorsement applies at the premises location(s) of such building number(s) for which a Broad Form Flood Limit of Insurance is shown.
2. When a Broad Form Flood Limit of Insurance is shown in the Declarations for property at the described premises within a Flood Zone or a non-participating or suspended community (as classified under the National Flood Insurance Program), this endorsement applies at the premises described in the Declarations for coverage under this Coverage Part with respect to covered loss resulting from "flood" to buildings, structures or personal property in the open within such Flood Zone(s) or community(ies) for which a Broad Form Flood Limit of Insurance is shown, or to personal property at the described premises in or on the buildings or structures within such Flood Zone(s) or community(ies).

If, at the time of loss, a building, a structure or personal property in the open is located within more than one Flood Zone or community, coverage under this endorsement for loss or damage to, or loss that is a consequence of loss or damage to that building, structure or personal property in the open will be subject to the insurance, Annual Aggregate Limit of Insurance and deductible, if any, that would apply under this policy if that building, structure or personal property in the open was wholly located within the most hazardous of the Flood Zones or communities, as stated below, in which it is located. The most hazardous Flood Zone or community that is determined to apply to a building or structure will also apply with respect to the coverage under this endorsement for loss or damage to, or loss or damage that is a consequence of loss

or damage to any personal property in or on such building or structure.

The following listing of Flood Zones and communities, as classified under the National Flood Insurance Program, is in order of the most hazardous to least hazardous:

- a. Flood Zone V and Flood Zones prefixed V;
 - b. Flood Zone A and Flood Zones prefixed A;
 - c. Flood Zone D;
 - d. Non-Participating or Suspended communities;
 - e. Flood Zone B, Flood Zone X (shaded) and Flood Zone X-500;
 - f. Flood Zone C and Flood Zone X (unshaded).
3. This endorsement also applies to:
 - a. The Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form, regardless of the Flood Zone or community in which the property is located;
 - b. The Newly Acquired Locations Coverage Extension in the Business Income (And Extra Expense), Business Income (Without Extra Expense) and Extra Expense Coverage Forms, regardless of the Flood Zone or community in which the newly acquired locations are located;
 - c. The Civil Authority Additional Coverage in the Business Income (And Extra Expense), Business Income (Without Extra Expense) and Extra Expense Coverage Forms, regardless of the Flood Zone or community in which the "flood" loss that triggers the coverage occurs, but only with respect to such loss of Business Income and/or Extra Expense that you in-

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cur at the premises described in **A.1.** or **A.2.** above; and

- d. Utility Services – Direct Damage or Utility Services – Time Element coverage provided under this Coverage Part, if any, regardless of the Flood Zone or community in which the "flood" loss to the utility services property that triggers the coverage occurs, but only with respect to such direct damage loss or loss of Business Income and/or Extra Expense that is incurred at the premises described in **A.1.** or **A.2.** above.

- 4. Except as provided in **A.3.a.** through **A.3.d.** above, this endorsement does not apply to loss or damage caused by or resulting from "flood" that occurs away from the premises described in **A.1.** and **A.2.** above.

- 5. This endorsement does not apply to, or modify, any limits or deductibles that apply to:

- a. The insurance otherwise provided under this Coverage Part for loss or damage by:

- (1) Fire, explosion or sprinkler leakage that results from "flood"; or

- (2) Water or sewage from drains within a building if the backup or overflow is not otherwise directly or indirectly caused by Water that is excluded in provisions (a), (b), (d) or (e) of the Water exclusion in Section **C.1.I.** of the Deluxe Property Coverage Form;

or

- b. Any other insurance provided under this Coverage Part for loss or damage to which the Water exclusion in Section **C.1.I.** of the Deluxe Property Coverage Form does not apply.

B. COVERED CAUSES OF LOSS

"Flood" is added to the Covered Causes of Loss and the "specified causes of loss".

All "flood" loss that occurs:

- 1. During a continuous or protracted event, such as a period of continued rising or overflow of any river(s), stream(s) or any body(ies) of water and the subsidence of same within the banks of such river(s), stream(s) or body(ies) of water; or
- 2. Due to any tidal wave or series of tidal waves that occur within any 168 hour period;

will constitute a single "flood" occurrence. If "flood" loss commences prior to the expiration

date of this policy and the "flood" occurrence extends beyond the expiration date of this policy, the expiration date of this policy will not reduce the "flood" occurrence period.

C. FLOOD DEFINED

The following is added to the Section **J.**, Definitions, in the Deluxe Property Coverage Form:

"Flood" means the following, all whether naturally occurring or due to man-made or other artificial causes, and includes waterborne material carried or otherwise moved by any of the water referred to in paragraphs **1.**, **3.** and **4.** below and material carried or otherwise moved by mudslide or mudflow:

- 1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether driven by wind (including storm surge) or not;
- 2. Mudslide or mudflow;
- 3. Water or sewage that backs up, overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment (other than the backup or overflow of water or sewage from drains within a building to which the exception in provision (c) of the Water exclusion in Section **C.1.I.** of the Deluxe Property Coverage Form applies); and
- 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.

D. EXCLUSIONS, LIMITATIONS AND RELATED PROVISIONS

- 1. Under the Exclusions contained in Section **C.1.** of the Deluxe Property Coverage Form:

- a. Exclusion **b.**, Earth Movement, does not apply to the insurance otherwise provided under this endorsement for loss or damage caused by or resulting from:

- (1) Mudslide or mudflow that is caused by or precipitated by the accumulation or runoff of water on or below the surface of the ground; or

- (2) "Flood" that is attributable to an Earth Movement, such as tsunami, but this exception does not apply to loss or damage caused by or resulting from

any excluded Earth Movement that results from such "Flood".

- b. Exclusion I., Water, does not apply to the coverage provided under this endorsement.

The remaining Exclusions and the Limitations that apply to this Coverage Part apply to the coverage provided under this endorsement.

- 2. The following additional exclusions apply to the coverage provided under this endorsement:
 - a. We will not pay for loss or damage caused by or resulting from any "flood" occurrence that begins before the inception of this insurance.
 - b. We will not pay for the cost of restoring, recovering or de-watering land or for loss resulting from the time required to restore, recover or de-water land.
- 3. The following LIMITATION is added as respects coverage provided by this endorsement:

EXCESS OF LOSS LIMITATION

- a. Unless otherwise indicated in the Declarations or by endorsement, this Excess of Loss Limitation applies to the coverage provided for direct physical loss of or damage to:

- (1) Buildings, structures and personal property in the open which are:

- (a) Covered Property at the premises described in Section A.1. and A.2. of this endorsement, or newly constructed or acquired property to which the Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form applies; and

- (b) Located, in whole or in part, in Flood Zone A, Flood Zones prefixed A, Flood Zone V or Flood Zones prefixed V, as classified under the National Flood Insurance Program at the time of loss;

and

- (2) Personal property which is Covered Property located in or on a building or structure described in (1) above, and personal property to which the Newly

Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form applies.

- b. If the property is eligible to be written under a National Flood Insurance Program (NFIP) policy, we will pay only for the amount of loss in excess of the maximum limit that can be insured 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.
- c. The Deductible provisions applicable to the coverage provided under this endorsement apply in addition to any applicable Excess of Loss Limitation.

E. UNDERGROUND WIRES, PIPES, FLUES AND DRAINS EXTENSION

Under the Deluxe Property Coverage Form, when Building coverage applies at premises locations to which this endorsement applies, the insurance provided by this endorsement is extended to also apply to direct physical loss or damage by "flood" to underground wires, pipes, flues and drains at such premises locations. The exclusion of underground wires, pipes, flues and drains under Section A.2., Property and Costs Not Covered, of the Deluxe Property Coverage Form does not apply to this Extension.

This Extension does not increase the Broad Form Flood Limit of Insurance that applies at such premises locations.

F. LIMITS OF INSURANCE

- 1. The most we will pay under this endorsement for the total of all loss or damage caused by or resulting from "flood" in a 12 month period of this policy (beginning with the effective date of this policy) is the single highest Annual Aggregate Limit of Insurance shown in the Declarations for Broad Form Flood.

Subject to the single highest Annual Aggregate Limit of Insurance shown in the Declarations for Broad Form Flood:

- a. Any individual Annual Aggregate Limit of Insurance shown in the Declarations for Broad Form Flood is the most we will pay under this endorsement for the total of all loss or damage caused by or resulting from all "flood" occurrences in a 12 month period of this policy (beginning with the effective date of this policy) to which such individual Annual Aggregate Limit of In-

insurance shown in the Declarations for Broad Form Flood applies.

- b. If more than one Annual Aggregate Limit of Insurance applies to loss or damage under this endorsement in any one occurrence, each limit will be applied separately, but the most we will pay under this endorsement for all loss or damage in that occurrence is the single highest involved Annual Aggregate Limit of Insurance applicable to that occurrence.
- c. The most we will pay under this endorsement for the total of:
 - (1) All loss or damage under the Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form; and
 - (2) All loss under the Newly Acquired Locations Coverage Extension in the Business Income (And Extra Expense), Business Income (Without Extra Expense) and Extra Expense Coverage Forms;

caused by or resulting from all "flood" occurrences in a 12 month period of this policy (beginning with the effective date of this policy) is \$100,000.

The Annual Aggregate Limit(s) of Insurance applicable to loss or damage under this endorsement is included in and does not increase the Limits of Insurance provided under this Coverage Part. For example, subject to the applicable Broad Form Flood Annual Aggregate Limit(s) of Insurance, our payment for loss under any Utility Services – Direct Damage or Utility Services –Time Element coverage that is attributable to "flood" to which this endorsement applies will not exceed the Limit of Insurance that applies to that Utility Services – Direct Damage or Utility Services – Time Element coverage.

2. The Annual Aggregate Limit(s) of Insurance applicable to loss or damage under this endorsement applies regardless of the items or types of property, number or types of coverages (including business income and extra expense coverages) or number of premises locations involved. Amounts payable under this endorsement for any item or type of property, or under any coverage, Additional Coverage or Coverage Extension, are subject to the Annual Aggregate Limit(s) of Insurance

applicable to loss or damage under this endorsement, and will not:

- a. Exceed the applicable property and coverage Limits of Insurance provided under this Coverage Part; nor
- b. Increase the applicable Annual Aggregate Limit(s) of Insurance under this endorsement.

This includes payments under any Debris Removal or Ordinance or Law coverage for loss that is attributable to "flood" at premises locations to which this endorsement applies, and covered as a result of the insurance provided under this endorsement.

G. DEDUCTIBLES

The following Deductible provisions apply to the insurance provided by this endorsement. The Deductible(s) applicable to loss or damage under this endorsement apply separately to each occurrence and apply in addition to any other Deductibles in this Coverage Part that apply to loss or damage in the same occurrence.

1. Dollar Deductible

When:

- a. A dollar amount in any one occurrence; or
- b. A dollar amount in any one occurrence at each premises location,

is shown as the applicable deductible in the Declarations, we will not pay for loss or damage in any one occurrence, or in any one occurrence at each premises location (as indicated in the Declarations), until the amount of loss or damage exceeds the applicable Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limits of Insurance.

The Deductible applicable to newly acquired or constructed property to which the Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form applies is the highest dollar deductible shown in the Declarations for any premises location to which this endorsement applies.

2. Hour Deductible

When an hour Deductible is stated in the Declarations, the following is applicable to your Business Income Coverage to which this endorsement applies:

Do not add this form to a policy. It is for informational use only.

We will not pay for loss of Business Income in any one occurrence that you incur during the period of time that:

- a. Begins at the time of direct physical loss or damage by "flood" that triggers the Business Income coverage; and
- b. Continues for the consecutive number of hours shown in the Declarations as the applicable Business Income hour deductible.

The Deductible applicable to Business Income coverage at locations to which the Newly Acquired Locations Coverage Extension in the Business Income (and Extra Expense) Coverage Form or Business Income (Without Extra Expense) Coverage Form applies, is the highest hour Deductible shown in

the Declarations for any premises location to which this endorsement applies.

3. No Deductible applies to Extra Expense.
4. When a Deductible is shown in the Declarations for Utility Service – Direct Damage coverage or Utility Services – Time Element coverage, that Deductible will apply to the insurance provided under the Utility Service – Direct Damage coverage or Utility Services – Time Element coverage for loss that is attributable to "flood" to which this endorsement applies. Otherwise, the above Deductible provisions apply to loss under the Utility Service – Direct Damage coverage or Utility Services – Time Element coverage that is attributable to "flood" to which this endorsement applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT

CRIME ADDITIONAL COVERAGES

This endorsement modifies insurance provided under the following:

DELUXE PROPERTY COVERAGE FORM

A. The following Crime Additional Coverages are added to Section **A.3., Additional Coverages**. The limits applicable to these Crime Additional Coverages are additional insurance. Under Section **A.2., Property and Costs Not Covered**, provision **a.** does not apply to these Crime Additional Coverages:

1. Employee Theft

- a. We will pay for loss of or damage to "money", "securities" and other personal property not otherwise excluded, that you own, lease or hold for others, resulting directly from theft committed by an "employee", to your deprivation, whether the "employee" is identified or not and whether the "employee" is acting alone or in collusion with other persons.
- b. Under this Crime Additional Coverage, all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts, will be considered one occurrence.
- c. This Crime Additional Coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss to which this Crime Additional Coverage applies.
- d. The most we will pay for loss in any one occurrence under this Crime Additional Coverage is the Limit of Insurance shown in the Schedule of this endorsement for Employee Theft.

2. Forgery or Alteration

- a. We will pay for loss resulting directly from "forgery" or alteration of, on or in any 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;

- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

- b. Under this Crime Additional Coverage, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments, will be considered one occurrence.
- c. This Crime Additional Coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss to which this Crime Additional Coverage applies.
- d. The most we will pay for loss in any one occurrence under this Crime Additional Coverage is the Limit of Insurance shown in the Schedule of this endorsement for Forgery or Alteration.
- e. If you are sued for refusing to pay any instrument covered in paragraph **2.a.** above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay for such legal expenses is in addition to the Limit of Insurance applicable to this Crime Additional Coverage. The Deductible applicable to this Crime Additional Coverage does not apply to these legal expenses.

3. Theft, Disappearance and Destruction

- a. We will pay for loss of "money" and "securities" that you own or hold for others:
 - (1) At the described premises or the premises of a bank or savings institution; or
 - (2) (a) At any other location; or
 - (b) In transit;

Do not add this form to a policy. It is for informational use only.

in your care and custody, in the care and custody of your partners or "employees", or in the care and custody of an armored motor vehicle company;

resulting directly from theft, disappearance or destruction.

- b. Under this Crime Additional Coverage, all loss caused by an act or series of related acts involving one or more persons, or by an act or event or series of related acts or events not involving any person, will be considered a single occurrence.
 - c. This Crime Additional Coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss to which this Crime Additional Coverage applies.
 - d. The most we will pay in any one occurrence under this Crime Additional Coverage for loss of "money" and "securities":
 - (1) At the described premises or the premises of a bank or savings institution is the Limit of Insurance shown in the Schedule of this endorsement for Theft, Disappearance and Destruction – Inside Premises;
 - (2) At any other location, or in transit, is the Limit of Insurance shown in the Schedule of this endorsement for Theft, Disappearance and Destruction – Outside Premises.
 - e. The insurance provided under this Crime Additional Coverage for "money" and "securities" in the care and custody of an armored motor vehicle company applies only to the amount of loss that 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.
- 4. Money Orders and Counterfeit Paper Currency**
- a. We will pay for loss resulting directly from your acceptance in good faith of the following in exchange for merchandise, "money" or services:

- (1) Money orders, including counterfeit money orders, of any post office, express company or bank that are not paid upon presentation; and

- (2) Counterfeit paper currency that is acquired during the regular course of business.

- b. Under this Crime Additional Coverage, all loss caused by an act or series of related acts involving one or more persons, or by an act or event or series of related acts or events not involving any person, will be considered a single occurrence.
 - c. This Crime Additional Coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss to which this Crime Additional Coverage applies.
 - d. The most we will pay for loss in any one occurrence under this Crime Additional Coverage is the applicable Limit of Insurance shown in the Schedule of this endorsement for Money Orders and Counterfeit Paper Currency.
- B. The following exclusions apply to the Crime Additional Coverages provided in Section A. of this endorsement. Except as provided in exclusion 1.a. below, none of the exclusions in Section C. or limitations in Section D. of the Deluxe Property Coverage Form apply to the Crime Additional Coverages.**
- 1. We will not pay under any of the Crime Additional Coverages for:
 - a. Loss caused by or resulting from any of the following to the extent these causes of loss are otherwise excluded under the Exclusions in Section C. of the Deluxe Property Coverage Form:
 - (1) Certain Computer-Related Losses;
 - (2) Governmental Action;
 - (3) Nuclear Hazard; and
 - (4) War and Military Action.
 - b. Loss caused by or resulting from any dishonest or criminal act by you or any of your partners, whether acting alone or in collusion with others.
 - c. Loss caused by or resulting from any dishonest or criminal act by any of your "employees", directors, trustees or authorized representatives:

- (1) Whether acting alone or in collusion with others; or
 - (2) While performing services for you or otherwise;
except as provided under the Employee Theft Crime Additional Coverage.
 - d. Indirect loss including any loss resulting from:
 - (1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, the property;
 - (2) Payment of damages of any type for which you are legally liable. But we will pay for compensatory damages arising directly from a loss covered under the Crime Additional Coverages; or
 - (3) Payment of costs, fees or other expenses you incur in establishing either the existence or amount of loss under the Crime Additional Coverages.
 - e. Legal expenses, except as provided under the Forgery or Alteration Crime Additional Coverage.
2. We will not pay under the Employee Theft Crime Additional Coverage for:
- a. Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
 - b. Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or 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.
 - c. Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
 - d. Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.
3. We will not pay under the Theft, Disappearance and Destruction Crime Additional Coverage for:
- a. Loss caused by or resulting from accounting or mathematical errors or omissions.
 - b. Loss caused by or resulting from the giving or surrendering of the property in any exchange or purchase.
 - c. Loss of or damage to property after the property has been transferred or surrendered to a person or place outside the described premises or the premises of a banking or savings institution:
 - (1) On the basis of unauthorized instructions; or
 - (2) As a result of a threat to do bodily harm to any person or damage to any property.But this exclusion does not apply to loss of "money" or "securities" outside of the described premises or the premises of a banking or savings institution in your care and custody or the care and custody of your partners or "employees" if:
 - (i) You had no knowledge of any threat at the time the conveyance began; or
 - (ii) You had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
 - d. Loss caused by you or anyone acting on your express or implied authority voluntarily parting with possession of or title to the property.
 - e. Loss of "money" contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- C. Section **F. DEDUCTIBLE** is amended by the addition of the following:
- We will not pay for loss in any one occurrence under the Crime Additional Coverages until the amount of loss exceeds the applicable Deductible shown in the Declarations, the Schedule of this endorsement or elsewhere in this Coverage Part. We will then pay the amount of loss in excess of the Deductible, up to the applicable Limit of Insurance.

D. In addition to the conditions that apply to the Deluxe Property Coverage Form:

1. The following conditions apply to the Crime Additional Coverages provided in Section **A.** of this endorsement:

a. Cancellation as to any Employee

The insurance provided under the Crime Additional Coverages is cancelled as to any "employee":

- (1) Immediately upon discovery by:

- (a) You; or
(b) Any of your partners, members, managers, officers, directors or trustees not in collusion with the "employee";

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 or delivered to the first Named Insured. That date will be at least 30 days after the date of mailing or delivery. We will mail or deliver our notice to the first Named Insured at the last mailing known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

b. Amended Duties in the Event of Loss or Damage Condition

Under the Duties in the Event of Loss or Damage Condition in Section **G.3.** of the Deluxe Property Coverage Form, the duty to notify the police if a law has been broken does not apply to the Employee Theft or the Forgery or Alteration Crime Additional Coverages.

c. Employee Benefit Plans

The following provisions apply with respect to any "employee benefit plan" shown in the Schedule of this endorsement as included as Insureds under the Employee Theft Crime Additional Coverage (hereinafter referred to as Plan):

- (1) 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 the Employee Theft Crime Additional Coverage 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.

- (2) With respect to losses sustained or discovered by any such Plan, paragraph **1.a.** of the Employee Theft Crime Additional Coverage in Section **A.** of this endorsement is replaced by the following:

We will pay for loss of or damage to "money", "securities" and other personal property not otherwise excluded, that you own, lease or hold for others, resulting directly from fraudulent or dishonest acts committed by an "employee", whether the "employee" is identified or not and whether the "employee" is acting alone or in collusion with other persons.

- (3) If the first Named Insured is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plans sustaining the loss.

- (4) If two or more Plans are insured under this insurance, any payment we make for loss:

- (a) Sustained by two or more Plans; or
(b) Of commingled "money" and "securities" or other property of two or more Plans;

that arises out of one occurrence, is to be shared by each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total of those limits.

- (5) The Deductible applicable to the Employee Theft Crime Additional Coverage does not apply to loss sustained by any Plan.

d. Extended Period to Discover Loss

We will pay for loss that you sustain prior to the date this insurance terminates or is cancelled which is discovered by you no later than one year from the date of that termination or cancellation. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance

afforded hereunder, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

e. Amended Legal Action Against Us Condition

The Legal Action Against Us Additional Condition in Section H.4. of the Deluxe Property Coverage Form is amended as follows:

The time period during which a legal action involving loss under the Crime Additional Coverages may be brought against us will not begin until the date on which the loss is discovered. In addition, no one may bring a legal action against us involving loss under the Crime Additional Coverages until 90 days after you have filed proof of loss with us.

f. Loss Sustained During Prior Insurance

(1) If you, or any predecessor in interest, sustained loss during the period of any prior crime coverage insurance that you or the predecessor in interest could have recovered under that insurance, except that the time within which to discover loss had expired, we will pay for it under the applicable Crime Additional Coverage provided in Section A. of this endorsement, provided:

- (a) The Crime Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (b) The loss would have been covered under the Crime Additional Coverage had it been in effect when the acts or events causing the loss were committed or occurred.

(2) The insurance under this condition is part of, not in addition to, the Limits of Insurance applying to the Crime Additional Coverages and is limited to the lesser of the amount recoverable under:

- (a) The applicable Crime Additional Coverage as of its effective date; or
- (b) The prior crime coverage insurance had it remained in effect.

g. Amended Policy Period, Coverage Territory Condition

The following is added to the Policy Period, Coverage Territory Additional Condition in Section H.9. of the Deluxe Property Coverage Form:

Subject to the above Loss Sustained During Prior Insurance Condition, we will pay for loss under the Crime Additional Coverages that you sustain through acts committed or events occurring:

(1) During the policy period and discovered by you:

- (a) During the policy period; or
- (b) During the period of time provided in the Extended Period To Discover Loss Condition above;

and

(2) Within the Coverage Territory. However:

- (a) Under the Employee Theft Crime Additional Coverage, we will pay for loss caused by any "employee" while temporarily outside of the Coverage Territory for a period of not more than 90 days.
- (b) Under the Forgery or Alteration Crime Additional Coverage, the Coverage Territory is extended to include anywhere in the world.

h. Loss Covered Under a Crime Additional Coverage and Prior Crime Insurance Issued by the Company or any Affiliate

If any loss is covered:

(1) Partly by a Crime Additional Coverage provided in Section A. of this endorsement; and

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

the most we will pay is the larger of the amount recoverable under the Crime Additional Coverage or the prior insurance.

i. Non-Cumulation of Limit of Insurance

Regardless of the number of years the Crime Additional Coverages remain in force or the number of premiums paid, no

Limit of Insurance cumulates from year to year or period to period.

j. Amended Other Insurance Condition

With respect only to the Crime Additional Coverages, the Other Insurance Additional Condition in Section H.8. of the Deluxe Property Coverage Form is replaced by the following:

The Crime Additional Coverages do not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance provided under the applicable Crime Additional Coverage will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the Limit of Insurance that applies to that Crime Additional Coverage.

k. Amended Transfer of Rights of Recovery Against Others To Us Condition

The Transfer of Rights of Recovery Against Others to Us Additional Condition in Section H.10. of the Deluxe Property Coverage Form applies to the Crime Additional Coverages except you may not, at any time, waive your rights to recover damages from another party for any loss you sustained and for which we have paid or settled under the Crime Additional Coverages.

l. Amended Valuation Condition

The following is added to the Valuation Loss Condition in Section G.6. of the Deluxe Property Coverage Form:

In the event of loss, we will determine the value of:

- (1) "Money" at its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
 - (a) At face value in the "money" issued by that country; or
 - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) "Securities" at their value at the close of business on the day the loss was discovered. We may, at our option:

- (a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all of your rights, title and interest in and to those "securities"; or
- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (i) Value of the "securities" at the close of business on the day the loss was discovered; or
 - (ii) Limit of Insurance.

m. Sole Benefit

The insurance provided under the Crime Additional Coverages is for your sole 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.

2. The following additional conditions apply to the Forgery or Alteration Crime Additional Coverage:

a. Electronic and Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

b. 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.

E. The following additional definitions apply to the Crime Additional Coverages provided under this endorsement:

1. "Employee" means:

- a. "Employee" means:
 - (1) Any natural person:

- (a) While in your service and for 30 days after termination of service; and
 - (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;
- (2) Any natural person who is furnished temporarily to you:
- (a) To substitute for a permanent "employee" as defined in paragraph (1) above, who is on leave; or
 - (b) To meet seasonal or short-term work load conditions;
- while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the described premises.
- (3) Any natural person who is leased to you under a written agreement, between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in paragraph (2) above;
- (4) Any natural person who is:
- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan" insured under this insurance; or
 - (b) Your director or trustee while that person is handling funds or other property of any "employee benefit plan" insured under this insurance.
- (5) Any natural person who is a former "employee", director, partner, mem-

ber, manager, representative or trustee retained as a consultant while performing services for you; or

- (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the premises.
- b. But "employee" does not mean any:
- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Manager, director or trustee except while performing acts coming within the scope of the usual duties of an "employee".
2. "Employee benefit plan" means any welfare or pension benefit plan shown in the SCHEDULE of this endorsement that is subject to the Employee Retirement Income Security Act of 1974 (ERISA).
3. "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.
4. "Money" means:
- a. Currency, coins and bank notes in current use; and
 - b. Travelers' checks, register checks and money orders held for sale to the public.
5. "Securities" means negotiable and non-negotiable instruments or contracts representing either "Money" or other property and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards which are not of your own issue. But Securities does not include "Money" or lottery tickets held for sale.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT

UTILITY SERVICES – DIRECT DAMAGE

This endorsement modifies insurance provided under the following:

DELUXE PROPERTY COVERAGE FORM

A. Coverage

If indicated in the Declarations, we will pay for loss of or damage to Covered Property at the described premises caused by the interruption of utility service to the described premises. The interruption of utility service must result from direct physical loss or damage by a Covered Cause of Loss to any of the Utility Supply Services Properties defined in Section B. below, if such property is indicated in the Declarations and is:

1. Located away from the described premises; or
2. Located at the described premises and used to supply the utility service to the described premises from a source away from the described premises.

B. Utility Supply Services Properties

1. **Water Supply Services Property**, meaning the following types of property supplying water to the described premises:
 - a. Pumping stations; and
 - b. Water mains.
2. **Communication Supply Services Property**, meaning the following types of property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
 - a. Communication transmission lines, including optic fiber transmission lines;
 - b. Coaxial cables; and
 - c. Microwave radio relays except satellites.

Coverage does not include loss caused by or resulting from loss or damage to Overhead Transmission Lines unless *Included* or a separate Limit of Insurance is shown in the Declarations for Overhead Transmission Lines.

3. **Power Supply Services Property**, meaning the following types of property supplying elec-

tricity, steam or gas to the described premises:

- a. Utility generating plants;
- b. Switching stations;
- c. Substations;
- d. Transformers; and
- e. Transmission lines.

Coverage does not include loss caused by or resulting from loss or damage to Overhead Transmission Lines unless *Included* or a separate Limit of Insurance is shown in the Declarations for Overhead Transmission Lines.

C. Deductible

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductible stated in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

D. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Utility Services – Direct Damage Limit of Insurance stated in the Declarations.

If a separate Limit of Insurance is shown in the Declarations for Overhead Transmission Lines, that limit is the most we will pay for loss or damage in any one occurrence resulting from loss or damage to Overhead Transmission Lines to which this coverage applies. This applies even if this coverage applies to both Communication Supply Services Property and Power Supply Services Property.

The Limit(s) of Insurance applicable to this endorsement are part of, and not in addition to, the applicable Covered Property Limit(s) of Insurance.

Do not add this form to a policy. It is for informational use only.

Auto

BUSINESS AUTO COVERAGE FORM

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

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

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

SECTION I – COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

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

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

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire 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 Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a 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 – COVERED AUTOS LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a covered "auto".

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
 - (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
 - (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
 - (5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.
- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to

pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed, we will:

- (1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- 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" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. 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". 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:

- a. 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; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph a. above.

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 vehicle 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 Paragraph 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; or

- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

11. Pollution

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

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and

- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. War

"Bodily injury" or "property damage" arising directly or indirectly out of:

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

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations.

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All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III – PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

- a. **Comprehensive Coverage**

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

- b. **Specified Causes Of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

- c. **Collision Coverage**

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. **Towing**

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 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".

- b. **Loss Of Use Expenses**

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicates that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicates that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$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 in hindering or defending against any of these.

- 2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunt activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.
- 3. We will not pay for "loss" due and confined to:
 - a. Wear and tear, freezing, mechanical or electrical breakdown.
 - b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

- 4. We will not pay for "loss" to any of the following:
 - a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
 - b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.
 - c. Any electronic equipment, without regard to whether this equipment is permanently

installed, that reproduces, receives or transmits audio, visual or data signals.

- d. Any accessories used with the electronic equipment described in Paragraph c. above.
- 5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:
 - a. Permanently installed in or upon the covered "auto";
 - b. Removable from a housing unit which is permanently installed in or upon the covered "auto";
 - c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
 - d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.
- 6. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limits Of Insurance

- 1. The most we will pay for:
 - a. "Loss" to any one covered "auto" is the lesser of:
 - (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
 - (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
 - b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss" is \$1,000, if, at the time of "loss", such electronic equipment is:
 - (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
 - (2) Removable from a permanently installed housing unit as described in Paragraph b.(1) above; or
 - (3) An integral part of such equipment as described in Paragraphs b.(1) and b.(2) above.

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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 Covered Autos Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment – Physical Damage Coverages

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation Or Fraud

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceals or misrepresents a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee – Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any per-

son or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own; or
- (2) Primary while it is connected to a covered "auto" you own.

b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".

d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

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- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

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

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

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if a covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less,

provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION V – DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Auto" means:

- 1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or
- 2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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 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. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph **6.b.** or **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- E.** "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
- F.** "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- G.** "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.
- H.** "Insured contract" means:
 1. A lease of premises;
 2. A sidetrack agreement;
 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

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

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
 - b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
 - c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- I.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
 - J.** "Loss" means direct and accidental loss or damage.
 - K.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

COMMERCIAL AUTO

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers; or
6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
 - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- M. "Property damage" means damage to or loss of use of tangible property.
- N. "Suit" means a civil proceeding in which:
 1. Damages because of "bodily injury" or "property damage"; or
 2. A "covered pollution cost or expense";to which this insurance applies, are alleged.
"Suit" includes:
 - a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- O. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- P. "Trailer" includes semitrailer.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF BODILY INJURY DEFINITION

This endorsement modifies insurance provided by the following:

BUSINESS AUTO COVERAGE FORM

The following replaces the definition of "bodily injury" in the **DEFINITIONS** section:

"Bodily injury" means:

- a. Physical harm, including sickness or disease, sustained by a person; or
- b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.

POLICY NUMBER:

COMMERCIAL AUTO
ISSUE DATE: - -

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PUBLIC ENTITY – CHANGES IN PHYSICAL DAMAGE COVERAGE – AGREED VALUE ENDORSEMENT

This endorsement modifies insurance provided under the following:
BUSINESS AUTO COVERAGE FORM

SCHEDULE

Description of "Auto":

Limit of Insurance:

PROVISIONS

For any "auto" described in the Schedule above, the following replaces Paragraph C., **Limits Of Insurance**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

C. Limits Of Insurance

The most we will pay for "loss" to any one covered "auto" is the lesser of:

1. The cost of repairing the damaged property with other property of like kind and quality;

2. The cost of replacing the damaged or stolen property with other property of like kind and quality;
3. The cost of replacing the damaged or stolen property with comparable new property at the time of "loss"; or
4. The limit shown as applicable to the "auto" in the Schedule above.

Do not add this form to a policy. It is for informational purposes only.

POLICY NUMBER:

COMMERCIAL AUTO
ISSUE DATE: - -

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RENTAL REIMBURSEMENT COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

SCHEDULE

Coverage	Designation Or Description Of Covered "Autos" To Which This Insurance Applies	Maximum Payment Each Covered "Auto"			Premium
		Any One Day	No. Of Days	Any One Period	
Comprehensive		\$		\$	\$
Collision		\$		\$	\$
Specified Causes Of Loss		\$		\$	\$

Total Premium \$

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

- A. This endorsement provides only those coverages where a premium is shown in the Schedule. It applies only to a covered "auto" described or designated in the Schedule.
- B. We will pay for rental reimbursement expenses incurred by you for the rental of an "auto" because of "loss" to a covered "auto". Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered "auto". No deductibles apply to this coverage.
- C. 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:
 - 1. The number of days reasonably required to repair or replace 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.
- D. Our payment is limited to the lesser of the following amounts:
 - 1. Necessary and actual expenses incurred.
 - 2. The maximum payment stated in the Schedule applicable to "any one day" or "any one period".
- E. This coverage does not apply while there are spare or reserve "autos" available to you for your operations.
- F. If "loss" results from the total theft of a covered "auto" of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided for under the Physical Damage Coverage Extension.

Do not add this form to a policy. It is for informational purposes only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF EMPLOYEE DEFINITION

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

The following replaces the definition of "employee" in the **DEFINITIONS** Section:

"Employee" includes a "leased worker" and a "temporary worker".

Do not add this form to a policy. It is for informational purposes only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VERMONT CHANGES IN BUSINESS AUTO AND MOTOR CARRIER COVERAGE FORMS

For a covered "auto" licensed or garaged in Vermont, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Covered Autos Liability Coverage

The following is added to the **Limit Of Insurance** provision:

If judgment is rendered against you and we continue the "suit" by appeal or otherwise, no limitation of liability in this policy shall be valid unless you agree to such continuation.

B. Changes In Conditions

1. The following is added to the Legal Action Against Us Condition:

Under Covered Autos Liability Coverage, payment of any judicial judgment or claim by you for any of our liability shall not bar you from any action or right of action against us.

However, your right to bring legal action against us is not conditioned upon your com-

pliance with the provisions of the Appraisal For Physical Damage Loss Condition.

2. The Cancellation Common Policy Condition is amended by the addition of the following:

We may cancel the policy as allowed by the Cancellation Common Policy Condition.

Cancellation ends this agreement as to the loss payee's interest. If we cancel this policy, we will:

- a. Mail you and the loss payee named in the policy the same advance notice; and
- b. Use the same method of mailing to notify you and the loss payee named in the policy.

Do not add this form to a policy. It is for informational purposes only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VERMONT CHANGES IN BUSINESS AUTO AND MOTOR CARRIER COVERAGE FORMS – POLLUTION

For a covered "auto" licensed or garaged in Vermont, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Covered Autos Liability Coverage

1. Paragraph **A. Coverage** is replaced by the following:

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 have the right and duty to defend any "insured" against a "suit" asking for such damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

2. Exclusion **B.6. Care, Custody Or Control** is replaced by the following:

6. Care, Custody Or Control

"Property damage" to 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.

3. Exclusion **B.11. Pollution** does not apply.
4. Paragraph **C. Limit Of Insurance** is replaced by the following:

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 all damages resulting from any one "accident" is the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations.

All "bodily injury" and "property damage" 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 Auto Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

B. Changes In Conditions

For the purposes of the coverage provided by this endorsement, the conditions are amended as follows:

Paragraph **b.(2) of the Duties In The Event Of Accident, Claim, Suit Or Loss** Condition is replaced by the following:

- (2) Immediately send us copies of any demand, notice, summons or legal paper received concerning the claim or "suit".

C. Changes In Definitions

1. The "covered pollution cost or expense" definition and the definition of "pollutants" do not apply.
2. As used in this endorsement:

Do not add this form to a policy. It is for informational purposes only.

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

"Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the

"insured" must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.

Do not add this form to a policy. It is for informational purposes only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMERGENCY SERVICES – VOLUNTEER FIREFIGHTERS' AND WORKERS' INJURIES EXCLUDED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

Covered Autos Liability Coverage is changed by adding the following exclusions:

This insurance does not apply to:

1. "Bodily injury" to any volunteer firefighter or other volunteer worker of the "insured" if sustained while such person is engaged in volun-

teer firefighting, rescue squad or ambulance corps operations.

2. "Bodily injury" to any fellow volunteer firefighter or other volunteer worker of the "insured" if sustained in the course of volunteer firefighting, rescue squad or ambulance corps operations.

Do not add this form to a policy. It is for informational purposes only.

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- a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
- b. Anyone else for "bodily injury" while "occupying" an "auto" the Named Insured does not own who is an "insured" for Covered Autos Liability under the Coverage Form, but only at times when that person is an "insured" for Covered Autos Liability under the Coverage Form.
- c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".
- d. The Named Insured for "property damage" only.

C. Exclusions

This insurance does not apply to any of the following:

1. Any claim settled by the "insured" or any legal representative of the "insured" with the owner or driver of an "uninsured motor vehicle" without our consent, if the settlement prejudices our right to recover payments. However, this exclusion does not apply to a settlement made with the insurer of a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle" in accordance with the procedure described in Paragraph **A.2.b.**
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. The direct or indirect benefit of any insurer of property.
4. Damage to:
 - a. Any vehicle; or
 - b. Any property contained in or struck by any vehicle owned by the Named Insured or, if the Named Insured is an individual, any "family member" which is not a covered "auto".
5. The first \$150 of the amount of each claim for "property damage" sustained by an "insured" in any one "accident". This deductible applies only to direct physical damage to:
 - a. A covered "auto"; or
 - b. The property of an "insured".

However, this exclusion does not apply if there is valid and collectible "auto" physical damage coverage applicable to that damage under this or any other policy.

6. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
7. "Property damage" for which the "insured" has been compensated by other property or physical damage coverage, including any physical damage coverage under this policy.
8. Punitive or exemplary damages.
9. "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.

D. Limit Of Insurance

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident":
 - a. For "bodily injury" is the limit of Uninsured Motorists Coverage shown in the Schedule or Declarations; and
 - b. For "property damage" is \$10,000 per claim.
2. With respect to damages resulting from an "accident" with a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle", the Limit of Insurance shall be reduced by all sums paid by or for anyone who is legally responsible, including all sums paid under this Coverage Form's Covered Autos Liability Coverage.
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 or Medical Payments Coverage endorsement attached to this Coverage Part.

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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.

E. Changes In Conditions

The Conditions are changed for Uninsured Motorists Coverage as follows:

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

- a. The reference to "other collectible insurance" applies only to other collectible uninsured motorists insurance.
- b. Any insurance we provide with respect to a 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 Motorists Coverage under this Coverage Form, shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.

2. **Duties In The Event Of Accident, Claim, Suit Or Loss** in the Business Auto and Motor Carrier Coverage Forms and **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** in the Auto Dealers Coverage Form are changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved; and
- b. Promptly send us copies of the legal papers if a "suit" is brought.
- c. A person seeking coverage from an insurer, owner or operator of a vehicle described in Paragraph b. of the definition of "uninsured motor vehicle" must also promptly notify us in writing of a tentative settlement between the "insured" and the insurer 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 vehicle.

3. **Transfer Of Rights Of Recovery Against Others To Us** is changed by adding the following:

If we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.

We will be entitled to recovery only after the "insured" has been fully compensated for the "loss" or damage sustained.

If the "insured" settles with or recovers against any person, any reimbursement due to us under this section shall be reduced by deducting a fair portion of all reasonable expenses of recovery incurred in effecting the settlement or recovery. The expenses of recovery shall be apportioned between the parties as their interests appear at the time of the settlement or recovery.

Our rights do not apply under this provision with respect to damages caused by an "accident" with a vehicle described in Paragraph b. of the definition of "uninsured motor vehicle" if we:

- a. Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of a vehicle described in Paragraph b. of the definition of "uninsured motor vehicle"; and
- b. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Uninsured Motorists Coverage; and
- b. We also have a right to recover the advance payment.

4. **The Two Or More Coverage Forms Or Policies Issued By Us** Condition does not apply.

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 driver 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

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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 agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption, who is a resident of such Named Insured's household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Property damage" means injury to or destruction of the property of an "insured".
4. "Uninsured motor vehicle" means a land motor vehicle or "trailer":
 - a. For which no liability bond or policy applies at the time of an "accident";
 - b. That is an underinsured motor vehicle. An underinsured motor vehicle is a land motor vehicle or "trailer" for which the sum of all liability bonds or policies at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged, but:
 - (1) That sum is less than the sum of the limits of this coverage applicable to the "insured"; or
 - (2) The available liability insurance has been reduced by payments to others injured in the "accident" to an amount which is less than the limits of this coverage applicable to the "insured";

c. For which an insuring or bonding company denies coverage or is or becomes insolvent within one year of the date of the "accident"; or

d. Which is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must:

(1) Hit an "insured", a covered "auto", a vehicle an "insured" is "occupying" or the property of an "insured"; or

(2) Cause an "accident" resulting in "bodily injury" to an "insured" or "property damage" without hitting an "insured", a covered "auto" or a 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 any similar coverage.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or who becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency while being used within the scope of permission of that governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

Do not add this form to a policy. It is for informational purposes only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO MEDICAL PAYMENTS COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Coverage

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an "insured" who sustains "bodily injury" caused by "accident". We will pay only those expenses incurred, for services rendered within three years from the date of the "accident".

B. Who Is An Insured

1. You while "occupying" or, while a pedestrian, when struck by any "auto".
2. If you are an individual, any "family member" while "occupying" or, while a pedestrian, when struck by any "auto".
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.

C. Exclusions

This insurance does not apply to any of the following:

1. "Bodily injury" sustained by an "insured" while "occupying" a vehicle located for use as a premises.
2. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by you or furnished or available for your regular use.
3. "Bodily injury" sustained by any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by or furnished or available for the regular use of any "family member".
4. "Bodily injury" to your "employee" arising out of and in the course of employment by you. However, we will cover "bodily injury" to your domestic "employees" if not entitled to workers' compensation benefits. For the purposes

of this endorsement, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. "Bodily injury" to an "insured" while working in a business of selling, servicing, repairing or parking "autos" unless that business is yours.
6. "Bodily injury" 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.
7. "Bodily injury" to anyone using a vehicle without a reasonable belief that the person is entitled to do so.
8. "Bodily Injury" sustained by an "insured" while "occupying" any covered "auto" while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply to any "bodily injury" sustained by an "insured" while the "auto" is being prepared for such a contest or activity.

D. 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 "bodily injury" for each "insured" injured in any one "accident" is the Limit Of Insurance for Auto Medical Payments Coverage shown in the Declarations.

Do not add this form to a policy. It is for informational use only.

COMMERCIAL AUTO

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any Liability Coverage Form, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

E. Changes In Conditions

The **Conditions** are changed for **Auto Medical Payments Coverage** as follows:

1. The **Transfer Of Rights Of Recovery Against Others To Us** Condition does not apply.
2. The reference in **Other Insurance** in the Auto Dealers and Business Auto Coverage Forms

and **Other Insurance – Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form to "other collectible insurance" applies only to other collectible auto medical payments insurance.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.

Do not add this form to a policy. It is for informational use only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PUBLIC ENTITY AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- A. ELECTED OR APPOINTED OFFICIALS AND MEMBERS OF YOUR BOARDS**
- B. OWNERS OF COMMANDEERED AUTOS**
- C. VOLUNTEER OR EMPLOYEE FIREFIGHTERS**
- D. BAIL BONDS – INCREASED LIMIT**
- E. INSURED'S EXPENSES – INCREASED LIMIT**
- F. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT**
- G. EXPECTED OR INTENDED INJURY**
- H. TRANSIT RODEO**
- I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT**
- J. AIRBAGS**
- K. PERSONAL PROPERTY**
- L. VOLUNTEER OR EMPLOYEE FIREFIGHTER AUTO DEDUCTIBLE REIMBURSEMENT**
- M. FIRE TRUCKS**
- N. CUSTOMIZED EQUIPMENT**
- O. WAIVER OF DEDUCTIBLE – GLASS**
- P. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS**
- Q. BLANKET WAIVER OF SUBROGATION**
- R. UNINTENTIONAL ERRORS OR OMISSIONS**
- S. PUBLIC ENTITY MOBILE EQUIPMENT**

PROVISIONS

A. ELECTED OR APPOINTED OFFICIALS AND MEMBERS OF YOUR BOARDS

The following is added to Paragraph **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any of your lawfully elected or appointed officials, directors or executive officers or any member of your boards is an "insured" while using a covered "auto" in the course of his or her duties for you at the time of an "accident".

B. OWNERS OF COMMANDEERED AUTOS

1. The following is added to Paragraph **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

The owner of a "commandeered auto" is an "insured" while the "commandeered auto" is in your temporary care, custody or control.

2. The following is added to **SECTION V – DEFINITIONS**:

"Commandeered auto" means any "auto" that you commandeer, or take without permission,

for the purpose of performing emergency operations.

C. VOLUNTEER OR EMPLOYEE FIREFIGHTERS

The following is added to Paragraph **A.1., Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any of your volunteer or "employee" firefighters is an "insured" while:

- (1) Using a covered "auto" that you do not own, hire or borrow;
- (2) Responding to or returning directly from the site of a fire department emergency; and
- (3) Acting on your behalf in the course of his or her firefighter's duties.

D. BAIL BONDS – INCREASED LIMIT

The following replaces Paragraph **A.2.a.(2) of SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

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(2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

E. INSURED'S EXPENSES – INCREASED LIMIT

The following replaces Paragraph **A.2.a.(4)** of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

F. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT

The following replaces the last sentence of Paragraph **A.4.b.**, **Loss Of Use Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$750 for any one "accident".

G. EXPECTED OR INTENDED INJURY

The following is added to Exclusion 1., **Expected Or Intended Injury**, in Paragraph **B.**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

This exclusion does not apply when the "insured" is protecting any person or property.

H. TRANSIT RODEO

1. The following is added to Exclusion 13., **Racing**, in Paragraph **B.**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

This exclusion does not apply to any "transit rodeo".

2. The following is added to Exclusion 2. in Paragraph **B.**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

This exclusion does not apply to any "transit rodeo".

3. The following is added to **SECTION V – DEFINITIONS**:

"Transit rodeo" means a driver course event for transit operators that is authorized by you.

I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT

The following replaces the first sentence in Paragraph **A.4.a.**, **Transportation Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

J. AIRBAGS

The following is added to Paragraph **B.3.**, **Exclusions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Exclusion 3.a. does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs **A.1.b.** and **A.1.c.**, but only:

- a. If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- b. The airbags are not covered under any warranty; and
- c. The airbags were not intentionally inflated.

We will pay up to a maximum of \$1,000 for any one "loss".

K. PERSONAL PROPERTY

The following is added to Paragraph **A.4.**, **Coverage Extensions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Personal Property

We will pay up to \$400 for "loss" to wearing apparel and other personal property which is:

- (1) Owned by an "insured"; and
- (2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to Personal Property Coverage.

L. VOLUNTEER OR EMPLOYEE FIREFIGHTER AUTO DEDUCTIBLE REIMBURSEMENT

The following is added to Paragraph **D.**, **Deductible**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

We will reimburse a volunteer or "employee" firefighter up to \$500 for a deductible when:

- 1. Using an "auto" that you don't own, hire or borrow; and
- 2. Responding to or returning directly from the site of a fire department emergency; and
- 3. Acting on your behalf in the course of his or her duties as a firefighter.

M. FIRE TRUCKS

The following is added to Exclusion 3. in Paragraph B., of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

This freezing exclusion does not apply to freezing of fire truck equipment other than the fire truck's engine and audio, visual or data electronic equipment. But this exception to the freezing exclusion does not apply if the "loss" results from a failure to properly maintain the equipment.

N. CUSTOMIZED EQUIPMENT

1. The following is added to Exclusion 4. in Paragraph B., of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Exclusions 4.b., 4.c. and 4.d. do not apply to your covered "emergency vehicle" or your covered "public transportation auto".

2. The following is added to **B. Exclusions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

We will not pay for "loss" to "software" or "data" of any audio, visual or data electronic equipment.

3. The following is added to Paragraph C.1.b. of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

This paragraph does not apply to "loss" to your covered "emergency vehicle" or your covered "public transportation auto".

4. The following is added to Paragraph B.5., **Other Insurance**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

The Auto Physical Damage Coverage provided by this Coverage Form is excess over any other collectible insurance for audio, visual or data electronic devices, whether that insurance is provided by another insurer or another policy with us or our member companies.

5. The following is added to the definition of "auto" in **SECTION V – DEFINITIONS**:

"Auto" also means:

1. Permanently attached machinery or equipment;
2. Customized equipment of "emergency vehicles" and "public transportation autos"; and

3. Equipment parts that are removable from a housing unit attached to an "emergency vehicle" or "public transportation auto" if the removable equipment part is used in operation of the "emergency vehicle" or "public transportation auto", but does not include equipment or tools designed for use apart or away from the "emergency vehicle" or "public transportation auto".

6. The following is added to **SECTION V – DEFINITIONS**:

"Emergency vehicle" means an "auto" that is equipped with emergency equipment and used for safety or public protection by police, fire or ambulance departments.

"Public transportation auto" means an "auto" that is licensed or used to transport people as a public service.

"Software" means programs that are either purchased or written on a custom basis which are regularly used with audio, visual or data electronic equipment.

"Data" means fact, concepts, or instructions converted to a form useable in the operation of audio, visual or data electronic equipment.

O. WAIVER OF DEDUCTIBLE – GLASS

The following is added to Paragraph D., **Deductible**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

P. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph A.2.a., of **SECTION IV – BUSINESS AUTO CONDITIONS**:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

- (a) You (if you are an individual);
- (b) A partner (if you are a partnership);
- (c) A member (if you are a limited liability company);
- (d) A lawfully elected or appointed official, director, executive officer or insurance manager (if you are a corporation or other organization); or

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COMMERCIAL AUTO

- (e) Any "employee" authorized by you to give notice of the "accident" or "loss".

Q. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph **A.5., Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of the operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.

R. UNINTENTIONAL ERRORS OR OMISSIONS

The following is added to Paragraph **B.2., Concealment, Misrepresentation Or Fraud**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. How-

ever this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

S. PUBLIC ENTITY MOBILE EQUIPMENT

1. The following replaces the last paragraph of the definition of "mobile equipment" in **SECTION V – DEFINITIONS**:

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged, any land vehicles that would be subject to such compulsory or financial responsibility law or other motor vehicle insurance law if you were not a public entity, or any land vehicles used solely on roads you own. Such land vehicles are considered "autos".

2. The following is added to the definition of "auto" in **SECTION V – DEFINITIONS**:

"Auto" also means any other land vehicle that would be subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged if you were not a public entity.

Do not add this form to a policy. It is for informational purposes only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROFESSIONAL SERVICES NOT COVERED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

Covered Autos Liability Coverage is changed by adding the following exclusions:

This insurance does not apply to:

1. "Bodily injury" resulting from the providing or the failure to provide any medical or other professional services.
2. "Bodily injury" resulting from food or drink furnished with these services.
3. "Bodily injury" or "property damage" resulting from the handling of corpses.

Do not add this form to a policy. It is for informational purposes only.

Inland Marine

MISCELLANEOUS PROPERTY COVERAGE FORM

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

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

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

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Form, means property you own, or property of others in your care, custody or control, that is described in the Declarations.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft.
- b. Contraband, or property in the course of illegal transportation or trade.
- c. Live animals.
- d. Vehicles or self-propelled machines that are licensed for use on public roads.

3. Covered Causes Of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

- a. Excluded in Section B – EXCLUSIONS; or
- b. Excluded or limited in the Declarations or Endorsements.

4. Coverage Extensions

Each of the following Coverage Extensions applies unless *Not Covered* is indicated in the Declarations.

a. Fire Protective Systems

If your fire protective equipment discharges accidentally or to control a Covered Cause of Loss, we will pay for your expense to:

- (1) Recharge or refill your fire protective systems; and
- (2) Replace or repair faulty valves or controls that caused the discharge.

The Fire Protective Systems Limit Of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Coverage Extension.

b. Newly Acquired Property

You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage by a Covered Cause of Loss to items you acquire during the policy period that are of the type already covered by this Coverage Form.

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

- (1) 180 days expire after you acquire the property;
- (2) You report the property to us; or
- (3) The policy expires or is cancelled.

We will charge you additional premium for the newly acquired property from the date of your acquisition.

The Newly Acquired Property Limit Of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Coverage Extension.

c. Preservation Of Property

If it is necessary to move Covered Property to preserve it from the threat of imminent loss or damage by a Covered Cause of Loss, we will pay for:

- (1) The reasonable and necessary expenses actually incurred by you to remove the Covered Property, temporarily store the Covered Property at another location and move the Covered Property back to the location from which it was moved within a reasonable time after the

threat of imminent loss or damage to the property by the Covered Cause of Loss passes. Coverage for your incurred expenses will end when any of the following first occurs:

- (a) 90 days expire after the property is moved;
- (b) The property is returned to the location from which it was moved; or
- (c) The policy expires or is cancelled.

The Preservation Of Property Expense Limit Of Insurance shown in the Declarations is the most we will pay for the sum of all such expenses that you incur due to the threat of loss or damage from any one occurrence.

- (2) Any direct physical loss of or damage to the Covered Property while it is being moved, while temporarily stored at another location or while being moved back to the location from which it was moved.

The most we will pay in any one occurrence for direct physical loss of or damage to the Covered Property is the Limit Of Insurance applicable to the moved property. Any payment under this Coverage Extension for such direct physical loss or damage is included within and will not increase such limit.

d. Valuable Papers And Records

We will pay your costs to research, replace or restore lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which there are no duplicates. Such costs must result from direct physical loss or damage by a Covered Cause of Loss to your valuable papers and records directly related to the Covered Property described in the Declarations.

The Valuable Papers And Records Limit Of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Coverage Extension.

But we will not pay for loss of or damage to accounts, bills, deeds, evidences of debt, currency, money, notes or securities.

5. Additional Coverages

Each of the following Additional Coverages applies unless *Not Covered* is indicated in the Declarations.

a. Claim Data Expense

(1) We will pay the reasonable expenses you incur in preparing claim data when we require it to adjust a covered loss. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of loss.

(2) We will not pay for:

- (a) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
- (b) Any costs as provided in the Appraisal LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS; or
- (c) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.

The Claim Data Expense Limit Of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Additional Coverage.

b. Debris Removal

(1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period.

The amount we will pay includes the increased costs you incur to divert debris of Covered Property to recycling facilities rather than landfills. Any income or remuneration derived from this recycling will reduce the amount of debris removal

expense we would have otherwise paid.

The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (2) The most we will pay in any one occurrence under this Additional Coverage for your expense to remove the debris of Covered Property is 25% of:
- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
 - (b) The Deductible in this Coverage Form applicable to that loss or damage.

Except as provided in Paragraph (3) below, payment under this Additional Coverage is included within and will not increase the applicable Limit Of Insurance.

- (3) If:
- (a) Your expense to remove debris of Covered Property exceeds the 25% limitation in Paragraph (2) above; or
 - (b) The sum of the amount we pay for loss of or damage to Covered Property and the expense for removal of its debris exceeds the applicable Limit Of Insurance;

we will pay up to the Debris Removal Increased Limit Of Insurance shown in the Declarations.

c. Fire Or Police Department Service Charge

We will pay your liability for fire, police or other public emergency service department charges when such public emergency services are called to save or protect Covered Property from a Covered Cause of Loss. Such emergency service department charges must be:

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

(2) Required by local ordinance.

The Fire or Police Department Service Charge Limit Of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Additional Coverage.

No deductible applies to this Additional Coverage.

d. Pollutant Cleanup And Removal

We will pay your expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from any of the "specified causes of loss" which occurs to Covered Property during the policy period.

The expenses will be paid only if they are reported to us within 180 days of the date on which the covered "specified 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 Pollutant Cleanup And Removal Limit Of Insurance shown in the Declarations is the most we will pay under this Additional Coverage for the sum of all covered expenses arising out of all "specified causes of loss" occurring during each separate 12 month period of this policy, beginning with the effective date of the policy.

e. Reward Coverage

We will reimburse you for reward expenses you have incurred leading to:

(1) The successful return of undamaged stolen Covered Property to a law enforcement agency; or

(2) The arrest and conviction of any person who has damaged or stolen any Covered Property.

We will pay 25% of the covered loss, prior to the application of any Deductible and recovery of undamaged stolen Covered Property, up to the Reward Coverage Limit Of Insurance shown in the Declarations in any one occurrence for the reward payments you make. These reward payments must be documented.

No Deductible applies to this Additional Coverage.

B. EXCLUSIONS

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

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

b. Nuclear Hazard

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

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

c. War and Military Action

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

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

a. Consequential Loss

- (1) Delay, loss of use or loss of market; or
- (2) Loss of business income or extra expense.

b. Dishonesty

Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees), but theft by employees is not covered.

This exclusion does not apply to carriers for hire.

c. Missing Property

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

d. Pollution

Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss".

But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in any of the "specified causes of loss", we will pay for the loss or damage caused by such "specified causes of loss".

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

pay for the loss or damage caused by that Covered Cause of Loss.

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

b. **Electrical Damage or Disturbance**

Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs 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.

Electrical, magnetic or electromagnetic energy includes:

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

c. **Other Types Of Losses**

- (1) Wear and tear.
- (2) Mechanical breakdown or failure, including rupture or bursting caused by centrifugal force.
- (3) Decay, gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations, Schedule(s), Coverage Form or Endorsement(s). But in the event coverage for loss or damage is provided under the Coverage Extensions or Additional Coverages, the Limits Of Insurance stated within the specific Coverage Extension or Additional Coverage will apply as additional amounts of insurance, unless otherwise stated within the Coverage Extension or Additional Coverage.

D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage exceeds the applicable Deductible shown in the Declarations, Schedule(s), Coverage Form(s) or Endorsement(s). We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit Of Insurance.

The applicable Deductible shown in the Declarations applies to the Coverage Extensions and Additional Coverages unless otherwise stated in the Coverage Extension or Additional Coverage.

Unless otherwise stated, if more than one Deductible amount applies to loss or damage in any one occurrence, the total of the deductible amounts applied in that occurrence will not exceed the amount of the largest applicable Deductible.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the COMMERCIAL INLAND MARINE CONDITIONS and the COMMON POLICY 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 or damage if the value of Covered Property at the time of loss or damage multiplied by the Coinsurance percentage shown in the Declarations is greater than the applicable Limit Of Insurance for such Covered Property.

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

Step (1): Multiply the value of Covered Property at the time of loss or damage by the Coinsurance percentage shown in the Declarations.

Step (2): Divide the applicable Limit Of Insurance for Covered Property by the figure determined in Step (1).

Step (3): Multiply the total amount of covered loss or damage, before the application of any deductible, by the figure determined in Step (2).

Step (4): Subtract the applicable Deductible from the figure determined in Step (3).

COMMERCIAL INLAND MARINE

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

- b. Coinsurance does not apply to:
 - (1) Additional Coverages; or
 - (2) Coverage Extensions.

2. Coverage Territory

- a. We cover property wherever located within:
 - (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; or
 - (3) Canada.
- b. We also cover property being shipped by air within and between points in Paragraph a. above.

3. Loss Payment

The following is added to Loss Payment LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS:

- a. In the event of loss or damage covered by this Coverage Form, at our option we will either:
 - (1) Pay the cost of reasonably restoring the property to its condition immediately before loss or damage;
 - (2) Pay the value of the lost or damaged property; or
 - (3) Take all or any part of the property at an agreed or appraised value.

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

- b. At our option, we may make a partial payment toward any claim, subject to the policy provisions and our normal adjustment process. To be considered for a partial claim payment, you must submit a partial sworn proof of loss with

supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.

4. Minimum Earned Premium

If a Minimum Earned Premium is shown in the Declarations, such premium is the least amount of premium you must pay when the actual earned premium for this coverage is less than the Minimum Earned Premium.

The Minimum Earned Premium does not apply if we cancel coverage other than at your request.

5. Reinstatement Of Limit After Loss

The Reinstatement Of Limit After Loss LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS is replaced by the following:

Reinstatement Of Limit After Loss

With the exception of any applicable annual aggregate Limit Of Insurance, the Limit Of Insurance will not be reduced by the payment of any claim.

6. Valuation

The Valuation GENERAL CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS is replaced by the following:

Valuation

In the event of loss or damage, we will determine the value of Covered Property at the time of loss or damage as follows:

- a. Subject to Paragraphs c. and d. below, the value of Covered Property you own will be the least of the following:
 - (1) The actual cash value of that property.

But in the event of partial loss or damage, not exceeding 20% of the Limit Of Insurance applicable to the Covered Property, no depreciation will be applied in the settlement of the claim. This provision only applies to property that is less than 10 years old at the time of loss or damage;
 - (2) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
 - (3) The cost of replacing that property with substantially identical property.
- b. The value of Covered Property owned by others will be the amount for which you

are liable, not to exceed the replacement cost.

c. **Optional Replacement Cost Valuation**

When indicated by an 'X' in the Declarations, the value of Covered Property you own will be determined at replacement cost as of the time of loss or damage, except as otherwise provided in this Valuation ADDITIONAL CONDITION. Replacement cost is the cost to replace Covered Property at the time of loss or damage without deduction for depreciation.

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

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

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

(b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

Instead, we will pay on an actual cash value basis. This restriction does not apply to losses less than \$50,000.

d. **Optional Agreed Value Valuation**

When indicated by an 'X' in the Declarations, the value of Covered Property you own will be determined as follows:

The value of Covered Property you own will be the Limit Of Insurance shown in the Declarations, Schedule(s) or Endorsement(s).

F. DEFINITIONS

1. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste and any unhealthful or hazardous building materials (including

asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.

2. **"Sinkhole collapse"** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

This cause of loss does not include:

(a) The cost of filling sinkholes; or

(b) Sinking or collapse of land into man-made underground cavities.

3. **"Specified causes of loss"** means the following: Fire; lightning; explosion; windstorm or hail; smoke (including the emission or puff back of smoke, soot, fumes or vapors from a boiler, furnace or related equipment); aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects as limited below; weight of snow, ice or sleet; "water damage", all only as otherwise insured against in this Coverage Form.

Falling objects does not include loss or damage to:

a. Personal property in the open; or

b. Property inside a building or structure, unless the roof or an exterior wall of the building or structure is first damaged by a falling object.

4. **"Water damage"** means:

a. Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts) that is located on the premises at which the Covered Property is located and contains water or steam; and

b. Accidental discharge or leakage of water as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the premises at which the Covered Property is located, if the breakage or cracking is caused by wear and tear. This provision serves as an exception to the wear and tear exclusion 3.c.(1) in Section B – EXCLUSIONS.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLOOD EXCLUSION

This endorsement modifies insurance provided under the following:

MISCELLANEOUS PROPERTY COVERAGE FORM

The following Exclusion is added to Section B – EXCLUSIONS, Part 1:

Flood

(1) Any of the following, all whether naturally occurring or due to man-made or other artificial causes:

- (a) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether driven by wind (including storm surge) or not;
- (b) Mudslide or mudflow;
- (c) Water or sewage that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. However, this exclusion does not apply to the backup or overflow of water or sewage from drains within a building if the backup or overflow is not otherwise directly or indirectly caused by the Flood Exclusions in Para-

graphs (a) or (b) above or in Paragraphs (d) or (e) below.

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

- (i) Foundations, walls, floors or paved surfaces;
- (ii) Basements, whether paved or not; or
- (iii) Doors, windows or other openings; or

(e) Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs (a), (c) and (d) above, or material carried or otherwise moved by mudslide or mudflow.

(2) But if Flood, as described in (1)(a) through (1)(e) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

(3) This exclusion does not apply to property in transit.

Do not attach this form to a policy. It is for informational use only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTH MOVEMENT EXCLUSION

This endorsement modifies insurance provided under the following:

MISCELLANEOUS PROPERTY COVERAGE FORM

The following Exclusion is added to Section B – EXCLUSIONS, Part 1:

Earth Movement

(1) Any of the following, all whether naturally occurring or due to man-made or other artificial causes:

- (a)** Earthquake, including tremors and aftershocks, and earth sinking, rising or shifting related to such event;
- (b)** Landslide, including any earth sinking, rising or shifting related to such event;
- (c)** Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (d)** 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; or
- (e)** Volcanic eruption, explosion or effusion.

(2) If Earth Movement as described in:

(a) Paragraphs (1)(a) through (1)(d) above results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion; or

(b) Paragraph (1)(e) above, results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

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

- (i)** Airborne volcanic blast or airborne shock waves;
- (ii)** Ash, dust or particulate matter; or
- (iii)** Lava flow.

With respect to coverage for Volcanic Action as set forth in (i), (ii) and (iii) above, volcanic eruptions that occur within any 168-hour period will constitute a single occurrence. Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

(3) This exclusion does not apply to property in transit.

Do not attach this form to a policy. It is for informational use only.

Law Enforcement
Liability

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VERMONT MANDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

LAW ENFORCEMENT LIABILITY COVERAGE PART

PROVISIONS

1. The following replaces Paragraph 2. of the **Cancellation** Common Policy Condition:

2. Cancellation Of Policies In Effect

a. For Less Than 60 Days

If this policy has been in effect for less than 60 days and this policy is not a renewal of a policy we issued, we may cancel this policy by:

- (1) Giving the first Named Insured at least 15 days notice prior to the cancellation date for nonpayment of premium or substantial increase in hazard; or
- (2) Mailing or delivering to the first Named Insured at least 45 days notice prior to the cancellation date for any other reason.

If cancellation is for nonpayment of premium, written notice may be sent by certificate of mailing or certified mail. If cancellation is for any reason other than nonpayment of premium, written notice must be sent by certified mail.

b. For 60 Days Or More

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

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation affecting this policy or in the presentation of claims under this policy;
- (3) Violation of any provisions of this policy; or
- (4) Substantial increase in hazard, provided we have secured approval for the cancellation

from the commissioner of insurance.

If we cancel this policy for one of the reasons specified in this Paragraph 2.b., we will cancel only in the following manner:

- (1) By giving at least 15 days notice before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) By mailing or delivering at least 45 days notice before the effective date of cancellation if we cancel for any other reason.

Written notice of cancellation, including the reason for cancellation, will be mailed or delivered to the first Named Insured at the first Named Insured's last mailing address known to us.

If cancellation is for nonpayment of premium, written notice may be sent by certificate of mailing or certified mail. If cancellation is for any reason other than nonpayment of premium, written notice must be sent by certified mail.

2. The following condition is added and supersedes any other provision to the contrary:

When We Do Not Renew

1. We may elect not to renew this policy by mailing, by certified mail, or delivering written notice of nonrenewal to the first Named Insured's last mailing address known to us. We will mail or deliver this notice at least 45 days before the:
 - a. Expiration of the policy;
 - b. Anniversary date of this policy if this policy has been written for a term of more than one year.

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- 2. This provision does not apply:
 - a. If we have indicated a willingness to renew;
 - b. In case of nonpayment of premium; or
 - c. If you do not pay any advance premium required by us for renewal.
- 3. If we fail to mail or deliver proper notice of nonrenewal, this policy will end on the effective date of any other policy with respect to property designated in both policies.
- 3. The following condition is added and supersedes any other provision to the contrary:

Renewal

- 1. If we:
 - a. Elect to renew this policy; and
 - b. Have the necessary information to issue a renewal policy;
 we will confirm in writing, at least 45 days before it expires, our intention to renew this policy and the premium at which this policy will be renewed.
- 2. If we do not comply with the provisions of Paragraph 1. above, you will have renewal coverage. The renewal coverage will be at the rates:
 - a. In effect under the expiring or expired policy; or
 - b. In effect on the expiration date, that have been approved by the Commissioner;
 whichever are lower. This renewal coverage will be on a pro rata basis and will continue for 45 days after we confirm renewal coverage and premium. If you accept this renewal policy, this Paragraph 2. does not apply.
- 4. The following condition is added and supercedes any other provision to the contrary:

Statutory Liability

- 1. In addition to paying and satisfying judicial judgments rendered against the insured in consequence of claims to which this policy applies, we will protect the insured against the levy of executions issued on such judgments or claims against the insured.

- 2. We may, without the insured's consent, continue litigation after a judgment has been rendered with respect to the insured's legal liability under this policy for damages in a particular instance. In that event, no limitation of our liability will be valid where the matter of that litigation is concerned.
- 3. Any legal action against us to recover for loss under this policy must be brought within one year after the amount of loss is finally established. The amount of loss can be established only by:
 - a. Judicial judgment; or
 - b. An agreement between the parties involved with our written consent.
- 4. In the event of the insured's bankruptcy or insolvency, an injured person or claimant who has obtained a judgment against the insured may bring suit against us, provided:
 - a. The judgment was for damages covered by this policy; and
 - b. The suit is for damages in amounts no greater than the applicable limits of insurance of this policy.
- 5. Payment by the insured of any judicial judgment or claim for any of our liability under this policy will not deprive the insured of the right to bring action against us.
- 5. The following replaces the term "spouse" wherever it appears in the policy:
Spouse or party to a civil union under Vermont law.
- 6. Paragraphs (1) and (2) of Exclusion m, **Pollution**, in Paragraph 2. of **SECTION I - LAW ENFORCEMENT LIABILITY COVERAGE** is deleted.
- 7. If your law enforcement liability coverage is claims-made, the following replaces the third paragraph in Paragraph 5. of **SECTION VI - EXTENDED REPORTING PERIODS**
We will determine the additional premium for that endorsement in accordance with our rules and rates. The additional premium will not exceed 200% of the annual premium for this Coverage Part.

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8. If your law enforcement liability coverage is claims-made, Paragraph 6. of **SECTION VI - EXTENDED REPORTING PERIODS** is deleted.
9. If your law enforcement liability coverage is claims-made, the following is added to **SECTION VI - EXTENDED REPORTING PERIODS**

If the Supplemental Extended Reporting Period is in effect, we will provide the supplemental aggregate limit of insurance described below. But only for claims or "suits" for loss to which this insurance applies that are first made or

brought against any insured during the Supplemental Extended Reporting Period.

The supplemental aggregate limit of insurance will be equal to the dollar amount shown in the Declarations of this Coverage Part in effect at the end of the policy period for the Aggregate Limit.

Paragraph 2. of Section III - Limits Of Insurance will be amended accordingly. The Each Wrongful Employment Practice Offense Limit shown in the Declarations of this Coverage Part will then continue to apply, as set forth in Paragraph 3. of Section III - Limits Of Insurance.

LAW ENFORCEMENT LIABILITY COVERAGE FORM

Do not attach this form to a policy. It is for informational use only.

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 Common Policy Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

The words "policy period" mean the Policy Period shown in the Declarations of this Coverage Part.

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

SECTION I - LAW ENFORCEMENT LIABILITY COVERAGE

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal injury" to which this insurance applies. We will have the right and duty to defend the insured against any claim or "suit" seeking those damages. However, we will have no duty to defend the insured against any claim or "suit" seeking damages because of "bodily injury", "property damage" or "personal injury" to which this insurance does not apply. We may, at our discretion, investigate any "wrongful act" or claim and settle any claim or "suit". 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.

We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "bodily injury", "property damage" and "personal injury" only if:

- (1) The "bodily injury", "property damage" or "personal injury" is caused by a "wrongful act" committed by you or on your behalf while conducting "law enforcement activities or operations";
- (2) The "wrongful act" is committed in the "coverage territory"; and
- (3) The "bodily injury", "property damage" or "personal injury" occurs during the policy period.

- c. All "bodily injury", "property damage" or "personal injury" caused by the same "wrongful act" or "related wrongful acts" will be deemed to occur when the first part of such "bodily injury", "property damage" or "personal injury" occurs.

- d. 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".

- e. Damages include the attorneys' fees of the person or organization making a claim or bringing a "suit" if such fees are awarded, or paid in a settlement, for "bodily injury", "property damage" or "personal injury" to which this insurance applies.

2. Exclusions

This insurance does not apply to:

a. Aircraft Or Auto

"Bodily injury", "property damage" or "personal injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft or "auto" owned, operated or hired 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 "wrongful act" which caused the "bodily injury", "property damage" or "personal injury" involved the ownership, maintenance,

nance, use or entrustment to others of any aircraft or "auto" owned, operated or hired by, or rented or loaned to, any insured.

This exclusion does not apply to:

- (1) Parking an "auto" on, or on the ways next to, premises you own or rent, provided that the "auto" is not owned by, or rented or loaned to, you or the insured;
- (2) "Bodily injury", "property damage" or "personal injury" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify as "mobile equipment" under the definition of "mobile equipment" if such land vehicle were not:
 - (i) 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
 - (ii) Designated as a covered auto under your automobile liability insurance; 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"; or
- (3) An aircraft chartered with a pilot to any insured. This exception does not apply if:
 - (a) The aircraft is owned by any insured; or
 - (b) Any insured is using the aircraft to carry any person or property for a charge.

b. Asbestos

"Bodily injury", "property damage" or "personal injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the injury or damage is caused or contributed to by the hazardous properties of asbestos. This includes:

- (1) Any supervision, instructions, recommendations, warnings or advice given or which should have been

given in connection with the above; and

- (2) Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

c. Contractual Liability

"Bodily injury", "property damage" or "personal 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 "bodily injury", "property damage" or "personal injury" for which the insured would have liability for damages without the contract or agreement.

d. Criminal, Dishonest, Fraudulent Or Malicious Wrongful Acts

"Bodily injury", "property damage" or "personal injury" arising out of any criminal, dishonest, fraudulent, or malicious "wrongful act" committed:

- (1) By the insured; or
- (2) With the consent or knowledge of the insured.

This exclusion does not apply to our duty to defend that insured until it has been determined or admitted in a legal proceeding that such "wrongful act" was committed:

- (1) By that insured; or
- (2) With the consent or knowledge of that insured.

This exclusion also does not apply to "personal injury" caused by malicious prosecution.

e. 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 or organization, 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) Property loaned to you; or
- (3) Personal property in the care, custody or control of the insured.

Paragraph (3) of this exclusion does not apply to payments we make un-

der Paragraph 8. of Supplementary Payments.

f. Employer's Liability

"Bodily injury" to:

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

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) Whether the insured may have any obligation to share damages with or repay someone else who must pay damages because of the injury.

g. Employment-Related Practices

"Bodily injury" or "personal injury" to:

- (1) A person arising out of any:
 - (a) Refusal to hire that person;
 - (b) Termination of that person's employment, "temporary worker" status, "independent contractor" status, or "volunteer worker" status; or
 - (c) Other practice, policy, act or omission related to that person's employment, "temporary worker" status, "independent contractor" status or "volunteer worker" status, such as coercion, demotion, evaluation, 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" or "personal injury" described in Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be held liable as an employer or in any other capacity; and

- (2) Whether the insured may have any obligation to share damages with or repay someone else who must pay damages because of the injury.

h. Injunctive Relief

Any loss, cost or expense arising out of complying with any injunctive or other non-monetary relief or any agreement to provide such relief.

i. Injury To Volunteer Workers

"Bodily injury" or "personal injury" to any "volunteer worker" who is injured in the conduct of "law enforcement activities or operations" within the scope of his or her duties for you.

j. Known Wrongful Acts

"Bodily injury", "property damage" or "personal injury" arising out of any "wrongful act", including any part of "related wrongful acts", that any "described authorized person" knew about before the first date we or any of our affiliated insurance companies have continuously provided this or similar coverage to you.

A "described authorized person" will be deemed to know about a "wrongful act" at the earliest time when such "described authorized person":

- (1) Reports all, or any part, of the "wrongful act" to us or any provider of other insurance;
- (2) Receives a written or verbal demand or claim for damages because of the "wrongful act"; or
- (3) Becomes aware by any other means that all, or any part, of the "wrongful act" has been committed.

k. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned, operated or hired 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 pre-arranged racing, demolition, or stunting activity.

I. Nuclear Energy

"Bodily injury", "property damage" or "personal injury" arising out of the "hazardous properties" of "nuclear material".

m. Pollution

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

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

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

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

(iii) "Bodily injury" or "property damage" arising out of the use of mace, pepper spray or tear gas;

(b) At, on, in 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) If such "pollutants" are or were at any time transported, handled, stored, treated, disposed of or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible;

(d) At, on, in or from any premises, site or location at, on or in which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing "law enforcement activities or operations" if the "pollutants" are brought on, in or to the premises, site or location in connection with such activities or operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on, in or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with "law enforcement activities or operations" being performed by you or on your behalf by a contractor or subcontractor;

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
- (iv) Bodily injury" or "property damage" arising out of the use of mace, pepper spray or tear gas; or
- (e) At, on, in or from any premises, site or location at, on or in which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are or were at any time performing "law enforcement activities or operations" 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) "Personal injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants". However, this paragraph does not apply to the use of mace, pepper spray or tear gas; or
- (3) 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 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".

n. Professional Health Care Services

"Bodily injury", "property damage" or "personal injury" arising out of the providing or failing to provide "professional health care services".

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

- (1) The insured's providing or failing to provide first aid;
- (2) The handling or treatment of corpses by an insured who is not a coroner, medical examiner or pathologist; or
- (3) The furnishing or dispensing of drugs, or medical or dental supplies or appliances, by an insured who is not a medical doctor or nurse.

o. Workers' Compensation And Similar Laws

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

SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim we are investigating, any claim or "suit" we settle or any claim or "suit" against an insured we are defending:

- 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 will not be the principal under these bonds, and we do not have to furnish these bonds.
- 3. All reasonable expenses incurred at our request by the insured who is an individual to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings of up to \$500 a day by that individual because of time off from work.
- 4. All costs taxed against the insured in the "suit" for that part of the judgment we pay, except attorneys' fees of the person or organization bringing the "suit".
- 5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- 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. If we do not pay part of the judgment for any

reason other than it is more than the applicable limit of insurance, we will not pay any interest that accrues on that portion of the judgment.

7. The cost of any required appeal bond for any judgment that we appeal, but only for bond amounts for that part of the judgment that is for damages to which this insurance applies and which are within the applicable limit of insurance. We will pay, or reimburse the insured for, the cost of a higher appeal bond amount if we are required to do so under the law that applies. We will not be the principal under any appeal bond, and we do not have to furnish any appeal bond.
8. Up to \$25,000 per policy period for physical damage to personal property that is in a person's possession at the time of his or her arrest and that is in the care, custody or control of an insured at the time of such damage. The Each Wrongful Act Deductible applies to this Supplementary Payment.

These payments will not reduce the limits of insurance.

Our duty to make such payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Common Policy Declarations as a public entity, you are an insured. Your lawfully elected or appointed officials, "executive officers" or directors are also insureds, but only with respect to their duties as your elected or appointed officials, "executive officers" or directors.
2. Each of the following is also an insured:
 - a. Your "volunteer workers", but only while performing duties related to the conduct of your business, and your "employees", other than your lawfully elected or appointed officials, "executive officers" or directors, 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 "bodily injury" or "personal injury":
 - (1) To you, to a co-"employee" while in the course of his or her employment or performing duties re-

lated to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

- (2) To the spouse, child, parent, brother or sister of that co-"employee" or other "volunteer worker" as a consequence of injury described in Paragraph (1) above; or
 - (3) For which there is any obligation to share damages with or repay someone else who must pay damages because of injury described in Paragraph (1) or (2) above.
- b. Any legal representative of an insured that has died, or become mentally incompetent, insolvent or bankrupt, but only with respect to duties as such. That representative will have all the rights and duties of such insured under this Coverage Part.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations of this Coverage Part 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".

The limits of insurance will not be reduced by the payment of the applicable deductible amount.

2. The Aggregate Limit is the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and "personal injury".

If no amount is shown for the Aggregate Limit in the Declarations of this Coverage Part, the Aggregate Limit will be the higher of the Each Wrongful Act Limit or \$100,000.

3. Subject to Paragraph 2. above, the Each Wrongful Act Limit is the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and "personal injury" caused by the same "wrongful act" or "related wrongful acts".

The limits of insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period

of less than 12 months, starting with the beginning of the policy period, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed to be part of the last preceding annual or remaining period for the purposes of determining the limits of insurance.

SECTION IV - DEDUCTIBLE

1. The Each Wrongful Act Deductible shown in the Declarations of this Coverage Part and the rules below fix the amount of damages and "defense expenses" incurred by, or on behalf of, you or any insured that you will be responsible for paying, regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

The Each Wrongful Act Deductible does not apply to payments we make under Supplementary Payments, other than "defense expenses" and payments we make under Paragraph 8. of Supplementary Payments.

2. The Each Wrongful Act Deductible applies to all damages and "defense expenses" for all claims or "suits" for "bodily injury", "property damage" or "personal injury" caused by the same "wrongful act" or "related wrongful acts".
3. The applicable limits of insurance will not be reduced by the amount of any damages or "defense expenses" within the deductible amount.
4. The terms of this policy, including those with respect to:
 - a. Our right and duty with respect to the defense of claims or "suits"; and
 - b. Your duties in the event of a "wrongful act", claim or "suit";apply irrespective of the application of the deductible amount.
5. If we settle a claim or "suit" for damages, or pay a judgment for damages awarded in a "suit", that are subject to a deductible, we may pay any part or all of the deductible amount. You will promptly reimburse us for such part of the deductible amount as we have paid.
6. If we pay "defense expenses" that are subject to a deductible, you will promptly reimburse us for such part of the deductible amount as we have paid.

7. If you do not reimburse us for a deductible amount that applies to damages or "defense expenses", and we are awarded the deductible amount we sought, or any part of that amount, in any legal proceeding against you, you agree to pay us the amount of the award and the following:

- a. "Our deductible recovery expenses"; and
- b. Interest, from the date of our notice of payment to you, on the deductible amount awarded to us.

SECTION V - LAW ENFORCEMENT 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 A Wrongful Act, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of a "wrongful act" which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "wrongful act" was committed;
 - (2) The names and addresses of any persons or organizations sustaining "bodily injury", "property damage" or "personal injury", and the names and addresses of any witnesses;
 - (3) The nature and location of any "bodily injury", "property damage" or "personal injury" caused by the "wrongful act"; and
 - (4) The names and addresses of each insured that committed the "wrongful act".
- b. If a claim or "suit" is made or 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 claim or "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 "bodily injury", "property damage" or "personal injury" 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.

e. The following provision applies to Paragraph a. above, but only for the purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II - Who Is An Insured: Notice to us of such "wrongful act" must be given as soon as practicable only after the "wrongful act" is known by you or any "described authorized person".

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. As used in this provision, an agreed settlement means a settlement and release of liability signed by us, by the insured and by the claimant or the claimant's legal representative.

4. Other Insurance

If valid and collectible other insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as described in Paragraphs a. and b. below.

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies;
- (iii) Any risk retention group;
- (iv) Any self-insurance method or program, including any failure to buy insurance, or decision to not buy insurance, for any reason, in which case the insured will be deemed to be the provider of other insurance; or
- (v) Any similar risk transfer or risk management method.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

a. Primary Insurance

This insurance is primary. If any other insurance is also primary, we will share with all that other insurance by the method described in Paragraph 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 provider of insurance 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, the share of each provider of insurance is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all providers of insurance.

Do not attach this form to a policy. It is for informational use only.

5. Premium Computation

We will compute all premiums for this Coverage Part in accordance with our rules and rates.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

7. Separation Of Insureds

Except with respect to the limits of insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured shown in the Common Policy Declarations, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover from others all or part of any payment we have made under this Coverage Part in connection with a claim or "suit", 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 initiate an alternative dispute resolution proceeding to enforce those rights, or will transfer those rights to us and help us enforce them.

We will apply any amounts recovered in enforcing those rights of recovery in the following order:

- a. First, we will reimburse any person or organization (including us or the insured) any amount that person or organization has paid in excess of the limits of insurance.

- b. Then, if there is any amount remaining, we will retain an amount equal to the amount we have paid under this Coverage Part in connection with the claim or "suit".

- c. Finally, if there is any amount remaining, we will pay that amount to the insured, including any amounts within any applicable deductible or self-insured retention.

If any amounts are recovered in enforcing those rights of recovery, reasonable expenses incurred in enforcing such rights will be shared among all persons or organizations receiving amounts recovered. Each such person's or organization's share of those expenses is based on the ratio of its amount recovered to the total amounts recovered by all such persons or organizations in enforcing such rights.

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of "bodily injury", "property damage" or "personal injury" caused by a "wrongful act" committed subsequent to the execution of the contract or agreement.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Common Policy Declarations written notice of the nonrenewal not less than 30 days before the end of the policy period.

If such notice is mailed, proof of mailing will be sufficient proof of such notice.

SECTION VI - DEFINITIONS

1. "Auto" means:

- a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment;
- 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, or would have been subject to such compulsory or financial responsibility law or other motor vehicle insurance law if you were not a public entity; or

- c. Any other land vehicle not described in Paragraph a. or b. above that is designated as a covered auto under your automobile liability insurance.
2. "Bodily injury" means any harm, including sickness or disease, to the health of other persons, including mental anguish, injury or illness, or emotional distress.
3. "Coverage territory" means:
- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. All other countries or jurisdictions in the world, except the "prohibited area", if the "bodily injury", "property damage" or "personal injury" arises out of:
 - (1) The "law enforcement activities or operations" of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (2) Any "wrongful act" committed through the Internet or other electronic means of communication; or
 - c. International waters or airspace, unless the "wrongful act" is committed in the course of travel or transportation to, from or within the "prohibited area";
- provided that the insured's responsibility to pay damages is determined in a "suit" on the merits brought in the territory described in Paragraph a. above or in a settlement we agree to.
4. "Defense expenses":
- a. Means any of the following fees, costs or expenses which can be directly allocated to a particular claim or "suit":
 - (1) Fees of attorneys, or other authorized representatives where permitted, for legal services, whether by outside or staff representatives; or
 - (2) Court, alternative dispute resolution and other specific items of expense, whether incurred by an outside vendor or by one of our employees, including:
 - (a) Medical examinations of a claimant to determine the extent of our liability, degree of permanency, or length of disability;
 - b. Does not include:
 - (1) Our expenses, including salaries, overhead and traveling expenses of our employees, except for those fees, costs or expenses described in Paragraphs a.(1) and a.(2) above incurred while handling a claim or "suit"; or
 - (2) Fees paid to independent claims professionals or attorneys (hired to perform the function of claim investigation normally performed by claim adjusters), for developing and investigating a claim so that a determination can be made of the cause, extent or responsibility for the injury, disease or damage, including evaluation and settlement of covered claims.
5. "Described authorized person" means:
- a. Any of your elected or appointed officials, "executive officers" or directors; or
 - b. Your risk manager, or any leader of your legal, finance, risk management or other department that is responsible for insurance matters.
6. "Electric personal assistive mobility devices" means any self-balancing device designed to transport only one person with a maximum speed of 30 miles per hour.
- (b) Expert medical or other testimony;
 - (c) Autopsy;
 - (d) Witnesses and summonses;
 - (e) Copies of documents such as birth and death certificates and medical treatment records;
 - (f) Arbitration fees;
 - (g) Fees or costs for surveillance or other professional investigations which are conducted as part of handling of a claim or "suit"; and
 - (h) Fees or costs for loss prevention and engineering personnel, and fees or costs for rehabilitation nurses or other nurses, for services which are conducted as part of handling of a claim or "suit".

7. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker" or a prisoner employed by any insured.
8. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
9. "Hazardous properties" includes radioactive, toxic or explosive properties.
10. "Hostile fire" means a fire that becomes uncontrollable or breaks out from where it was intended to be.
11. "Independent contractor" means any person who is not the insured's "employee", "temporary worker" or "volunteer worker", but who performs duties related to the conduct of the insured's business because of a contract or agreement between the insured and that person for specified services.
12. "Law enforcement activities or operations":
 - a. Means any of the official activities or operations of your police department, sheriff agency or other public safety organization, other than a fire district or department, that enforces the law and protects persons or property; and
 - b. Includes:
 - (1) Ownership, maintenance or use of a premises that you own, rent or borrow in order to conduct such activities or operations;
 - (2) Ownership or operation of any of your jails, penal institutions or similar facilities;
 - (3) Providing first aid at the time of an accident, crime or medical emergency;
 - (4) Providing school security; and
 - (5) "Moonlighting".
13. "Leased worker" means a person hired from a labor leasing firm under an agreement between the hirer and that firm to perform duties related to the conduct of the hirer's business. However, "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 or "auto";
 - b. While it is in or on an aircraft or "auto"; or
 - c. While it is being moved from an aircraft or "auto" to the place where it is finally delivered."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 or "auto".
15. "Moonlighting" means any secondary employment, or extra-duty assignment, approved by your police department, sheriff agency or other public safety organization that enforces the law and protects persons or property.
16. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
 - a. Bulldozers, farm machinery, forklifts, "electric personal assistive mobility devices" and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers; or
- f. Vehicles not described in Paragraph a., b., c. or d. above that are maintained primarily for purposes other than the transportation of any person 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:

- (i) 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 would have been subject to such compulsory or financial responsibility law or other motor vehicle insurance law if you were not a public entity;
- (ii) Used solely on roads you own; or
- (iii) Designated as a covered auto under your automobile liability insurance.

Land vehicles described in Paragraph (i), (ii) or (iii) above are considered "autos".

- 17. "Nuclear material" means any of the following materials defined in the Federal Atomic Energy Act or any of its amendments:

- a. Source material;
- b. Special nuclear material; or
- c. By-product material.

- 18. "Our deductible recovery expenses" means all fees, costs and expenses incurred by us and our attorneys to recover a deductible amount in a legal proceeding brought by us against you. But if the deductible amount awarded to us is less than the full amount of the deductible payment we sought, "our deductible recovery expenses" will be a proportional amount based on the ratio of the deductible amount awarded to the full amount of the deductible payment we sought.

- 19. "Personal injury" means injury, other than "bodily injury", caused by 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, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
- d. Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
- e. Oral or written publication, including publication by electronic means, of material that:
 - (1) Appropriates a person's name, voice, photograph or likeness;
 - (2) Unreasonably places a person in a false light; or
 - (3) Discloses information about a person's private life;
- f. False or improper service of process; or

- g. Violation of civil rights protected under any federal, state or local law.
- 20. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 21. "Professional health care services" includes:
 - a. Any medical, surgical, dental, laboratory, x-ray or nursing services, treatment, advice or instruction, or the related furnishing of food or beverages;
 - b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
 - c. The handling or treatment of corpses, including autopsies, organ donations and other postmortem procedures;
 - d. Any health or therapeutic service, treatment, advice or instruction;
 - e. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
 - f. Any psychiatric, psychological or emotional counseling service, treatment, advice or instruction; or
 - g. The service by any person as a member of a formal accreditation, standards review, peer review or equivalent professional board or committee or member of any professional organization or committee.
- 22. "Prohibited area" means any country or jurisdiction while any trade sanction, embargo or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction.
- 23. "Property damage" means:
 - a. Physical damage to tangible property of others, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical damage that caused it; or
 - b. Loss of use of tangible property of others that is not physically damaged. All such loss of use will be deemed to occur at the time of the "wrongful act" that caused it.

For the purposes of this insurance, data, including information, facts or programs in any electronic or other format, is not tangible property.
- 24. "Related wrongful acts" means two or more "wrongful acts" that have as a common connection, tie or link any fact, circumstance, situation, event, transaction, cause, or series of related facts, circumstances, situations, events, transactions or causes.
- 25. "Suit" means a civil proceeding that seeks damages. "Suit" includes:
 - a. An arbitration proceeding that seeks damages and to which the insured must submit or submits with our consent; and
 - b. Any other alternative dispute resolution proceeding that seeks damages and to which the insured submits with our consent.
- 26. "Temporary worker" means a person who is hired to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 27. "Volunteer worker" means a person, other than a prisoner, who:
 - a. Is not acting within the scope of his or her employment as an "employee" or "temporary worker";
 - b. Donates his or her work; and
 - c. Is not paid a fee, salary or other compensation for that work.
- 28. "Wrongful act" means any act, error or omission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

LAW ENFORCEMENT LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., **Exclusions**, of **Section - LAW ENFORCEMENT LIABILITY COVERAGE:**

Fungi Or Bacteria

a. "Bodily injury", "property damage" or "personal injury" which would not have occurred or taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

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

B. The following is added to the **DEFINITIONS** Section:

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

Do not attach this form to a policy. It is for informational use only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOBILE EQUIPMENT REDEFINED – EXCLUSION OF VEHICLES SUBJECT TO MOTOR VEHICLE LAWS

Do not add this form to a policy. It is for informational purposes only.

This endorsement modifies insurance provided under the following:
LAW ENFORCEMENT LIABILITY COVERAGE FORM

PROVISIONS

1. The following replaces Paragraph (2) of Exclusion a., **Aircraft Or Auto**, in Paragraph 2. of **SECTION I – LAW ENFORCEMENT LIABILITY COVERAGE**:

(2) "Bodily injury", "property damage" or "personal injury" arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify as "mobile equipment" under the definition of "mobile equipment" if such land vehicle were not:

(i) Subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged; or

(ii) Designated as a covered auto under your automobile liability insurance; 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"; or

2. The following replaces the definition of "auto" in the **DEFINITIONS** Section:

"Auto" means:

a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment;

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, or would have been subject to such compulsory or financial responsibility law, or other motor vehicle insurance law, if you were not a public entity; or

c. Any other land vehicle not described in Paragraph a. or b. above that is designated as a covered auto under your automobile liability insurance.

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

3. The following replaces Paragraph (i) of the definition of "mobile equipment" in the **DEFINITIONS** Section:

(i) Subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged, or would have been subject to such compulsory or financial responsibility law, or other motor vehicle insurance law, if you were not a public entity;

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LAW ENFORCEMENT ACTIVITIES OR OPERATIONS

This endorsement modifies insurance provided under the following:
LAW ENFORCEMENT LIABILITY COVERAGE PART

SCHEDULE - DESIGNATED LAW ENFORCEMENT ACTIVITIES OR OPERATIONS

Do not add this form to a policy. It is for informational use only.

PROVISIONS

1. The following replaces the definition of "law enforcement activities or operations" in the **DEFINITIONS** Section:

"Law enforcement activities or operations":

a. Means:

- (1) Any of the official activities or operations of your police department or sheriff agency, including any moonlighting, secondary employment or extra-duty assignment approved by such department or agency;
- (2) Any of the official activities or operations of your juvenile detention center;
- (3) Any of the official activities of your probation officers, parole officers, animal control officers or court security officers; or
- (4) Any of the official activities or operations of any person or organization shown in the Schedule - Designated Law Enforcement Activities Or Operations, if a person or organization is shown in such schedule.

b. Includes:

- (1) Ownership, maintenance or use of a premises that you own, rent or borrow in order to conduct such activities or operations;
 - (2) Ownership or operation of any of your jails, penal institutions, detention centers or similar facilities;
 - (3) Providing first aid; or
 - (4) Providing school security.
2. The following exclusion is added to Paragraph 2., **Exclusions** in **SECTION 1 - LAW ENFORCEMENT LIABILITY COVERAGE:**

Educator Services

"Bodily injury", "property damage" or "personal injury" arising out of:

- a. The providing or failing to provide any "educator services", including any actual or alleged:
 - (1) Violation of due process rights; or
 - (2) Discrimination, whether intentional or unintentional, based upon any characteristic, attribute, trait, condition or status that qualifies a person for protection against

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EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

THIS POLICY, IN PART, PROVIDES FOLLOW-FORM LIABILITY COVERAGE. COVERAGE WILL APPLY ON A CLAIMS-MADE BASIS WHEN FOLLOWING CLAIMS-MADE UNDERLYING INSURANCE.

COVERAGE WILL APPLY ON A DEFENSE-WITHIN-LIMITS BASIS WHEN FOLLOWING UNDERLYING INSURANCE UNDER WHICH DEFENSE EXPENSES ARE PAYABLE WITHIN, AND NOT IN ADDITION TO, THE LIMITS OF INSURANCE. WHEN FOLLOWING SUCH UNDERLYING INSURANCE, PAYMENT OF DEFENSE EXPENSES UNDER THIS POLICY WILL REDUCE, AND MAY EXHAUST, THE LIMITS OF INSURANCE OF THIS POLICY.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

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

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under **SECTION II – WHO IS AN INSURED.**

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

SECTION I – COVERAGES

A. COVERAGE A – EXCESS FOLLOW-FORM LIABILITY

1. We will pay on behalf of the insured those sums, in excess of the "applicable underlying limit", that the insured becomes legally obligated to pay as damages to which Coverage **A** of this insurance applies, provided that the "underlying insurance" would apply to such damages but for the exhaustion of its applicable limits of insurance. If a sublimit is specified in any "underlying insurance", Coverage **A** of this insurance applies to damages that are in excess of that sublimit only if such sublimit is shown for that "underlying insurance" in the Schedule Of Underlying Insurance.
2. Coverage **A** of this insurance is subject to the same terms, conditions, agreements, exclusions and definitions as the "underlying insurance", except with respect to any

provisions to the contrary contained in this insurance.

3. The amount we will pay for damages is limited as described in **SECTION III – LIMITS OF INSURANCE.**
4. For the purposes of Paragraph 1. above:
 - a. The applicable limit of insurance stated for the policies of "underlying insurance" in the Schedule Of Underlying Insurance will be considered to be reduced or exhausted only by the following payments:
 - (1) Payments of judgments or settlements for damages that are covered by that "underlying insurance". However, if such "underlying insurance" has a policy period which differs from the policy period of this Excess Follow-Form And Umbrella Liability Insurance, any such payments for damages that would not be covered by this Excess

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Follow-Form And Umbrella Liability Insurance because of its different policy period will not reduce or exhaust the applicable limit of insurance stated for such "underlying insurance";

- (2) Payments of "medical expenses" that are covered by that "underlying insurance" and are incurred for "bodily injury" caused by an accident that takes place during the policy period of this Excess Follow-Form And Umbrella Liability Insurance; or
- (3) Payments of defense expenses that are covered by that "underlying insurance", only if such "underlying insurance" includes such payments within the limits of insurance. However, if such "underlying insurance" has a policy period which differs from the policy period of this Excess Follow-Form And Umbrella Liability Insurance, any such payments for defense expenses that would not be covered by this Excess Follow-Form And Umbrella Liability Insurance because of its different policy period will not reduce or exhaust the applicable limit of insurance stated for such "underlying insurance".

If the applicable limit of insurance stated for the policies of "underlying insurance" in the Schedule Of Underlying Insurance is actually reduced or exhausted by other payments, Coverage **A** of this insurance is not invalidated. However, in the event of a loss, we will pay only to the extent that we would have paid had such limit not been actually reduced or exhausted by such other payments.

- b. If any "underlying insurance" has a limit of insurance greater than the amount shown for that insurance in the Schedule of Underlying Insurance, this insurance will apply in excess of that greater amount. If any "underlying insurance" has a limit of insurance, prior to any reduction or exhaustion by payment of damages, "medical expenses" or defense expenses described in Paragraph **a.** above, that is less than the amount shown for that insurance in the Schedule Of Underlying Insurance, this insurance will apply in excess of the amount shown for such insurance in the Schedule Of Underlying Insurance.

5. When the "underlying insurance" applies on a claims-made basis and includes a retroactive date provision, the retroactive date for Coverage **A** of this insurance is the same as the retroactive date of that "underlying insurance".

B. COVERAGE B – UMBRELLA LIABILITY

1. We will pay on behalf of the insured those sums in excess of the "self-insured retention" that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which Coverage **B** of this insurance applies.
2. Coverage **B** of this insurance applies to "bodily injury" or "property damage" only if:
 - a. The "bodily injury" or "property damage" is caused by an "occurrence" that takes place anywhere in the world;
 - b. The "bodily injury" or "property damage" occurs during the policy period; and
 - c. Prior to the policy period, no insured listed under Paragraph **1.** in Paragraph **B., COVERAGE B – UMBRELLA LIABILITY, of SECTION II – WHO IS AN INSURED** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, in whole or in part, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
3. Coverage **B** of this insurance applies to "personal injury" or "advertising injury" caused by an offense arising out of your business, but only if the offense was committed during the policy period anywhere in the world.
4. The amount we will pay for damages is limited as described in **SECTION III – LIMITS OF INSURANCE.**
5. "Bodily injury" or "property damage":
 - a. Which occurs during the policy period; and
 - b. Which was not prior to, but was during, the policy period known to have occurred by any insured listed under Paragraph **1.** in Paragraph **B., COVERAGE B –**

UMBRELLA LIABILITY of **SECTION II – WHO IS AN INSURED**, or any "employee" authorized by you to give notice of an "occurrence" or claim;

includes any continuation, change or resumption of the "bodily injury" or "property damage" after the end of the policy period.

6. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. in Paragraph **B.**, **COVERAGE B – UMBRELLA LIABILITY**, of **SECTION II – WHO IS AN INSURED** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - a. Reports all, or any part, of the "bodily 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" or "property damage"; or
 - c. Becomes aware by any other means that the "bodily injury" or "property damage" has occurred or has begun to occur.
7. 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".
8. Coverage **B** of this insurance does not apply to damages covered by any "underlying insurance" or that would have been covered by any "underlying insurance" but for the exhaustion of its applicable limit of insurance.

C. COVERAGE C – CRISIS MANAGEMENT SERVICE EXPENSES

1. We will reimburse the insured, or pay on the insured's behalf, "crisis management service expenses" to which Coverage **C** applies.
2. Coverage **C** of this insurance applies to "crisis management service expenses" that:
 - a. Arise out of a "crisis management event" that first commences during the policy period;
 - b. Are incurred by the insured, after a "crisis management event" first commences and before such event ends; and
 - c. Are submitted to us within 180 days after the "crisis management advisor" advises you that the "crisis management event" no longer exists.
3. A "crisis management event" will be deemed to:

- a. First commence at the time when any "executive officer" first becomes aware of an "event" or "occurrence" that leads to that "crisis management event"; and
 - b. End when we decide that the crisis no longer exists or when the Crisis Management Service Expenses Limit has been exhausted, whichever occurs first.
4. The amount we will pay for "crisis management service expenses" is limited as described in **SECTION III – LIMITS OF INSURANCE**.
 5. A "self-insured retention" does not apply to "crisis management service expenses".
 6. Any payment of "crisis management service expenses" that we make will not be determinative of our obligations under this insurance with respect to any claim or "suit" or create any duty to defend or indemnify any insured for any claim or "suit".

D. DEFENSE AND SUPPLEMENTARY PAYMENTS

1. We will have the right and duty to defend the insured:
 - a. Under Coverage **A**, against a "suit" seeking damages to which such coverage applies, if:
 - (1) The "applicable underlying limit" is the applicable limit of insurance stated for a policy of "underlying insurance" in the Schedule Of Underlying Insurance and such limit has been exhausted solely due to payments as permitted in Paragraphs **4.a.(1)**, **(2)** and **(3)** of **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY** of **SECTION I – COVERAGES**; or
 - (2) The "applicable underlying limit" is the applicable limit of any "other insurance" and such limit has been exhausted by payments of judgments, settlements or medical expenses, or related costs or expenses (if such costs or expenses reduce such limits).

For any "suit" for which we have the right and duty to defend the insured under Coverage **A**, defense expenses will be within the limits of insurance of this policy when such expenses are within the limits of insurance of the applicable "underlying insurance"; or
 - b. Under Coverage **B**, against a "suit" seeking damages to which such coverage applies.

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2. We have no duty to defend any insured against any "suit":
 - a. Seeking damages to which this insurance does not apply; or
 - b. If any other insurer has a duty to defend.
3. When we have the duty to defend, we may, at our discretion, investigate and settle any claim or "suit". In all other cases, we may, at our discretion, participate in the investigation, defense and settlement of any claim or "suit" for damages to which this insurance may apply. If we exercise such right to participate, all expenses we incur in doing so will not reduce the applicable limits of insurance.
4. Our duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements, or defense expenses if such expenses are within the limits of insurance of this policy.
5. We will pay, with respect to a claim we investigate or settle, or "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. The cost of:
 - (1) Bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this insurance applies; or
 - (2) Appeal bonds and bonds to release attachments;but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of such claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.
 - d. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - f. All interest that accrues on the full amount of any judgment 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. If we do not pay part of the judgment for any reason other than it is more than the applicable limit of insurance, we will not pay any interest that accrues on that portion of the judgment.

With respect to a claim we investigate or settle, or "suit" against an insured we defend under **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY**, these payments will not reduce the applicable limits of insurance, but only if the applicable "underlying insurance" provides for such payments in addition to its limits of insurance. With respect to a claim we investigate or settle, or "suit" against an insured we defend under **COVERAGE B – UMBRELLA LIABILITY**, these payments will not reduce the applicable limits of insurance.

SECTION II – WHO IS AN INSURED

A. COVERAGE A – EXCESS FOLLOW-FORM LIABILITY

With respect to Coverage A, the following persons and organizations qualify as insureds:

1. The Named Insured shown in the Declarations; and
2. Any other person or organization qualifying as an insured in the "underlying insurance". If you have agreed to provide insurance for that person or organization in a written contract or agreement:
 - a. The limits of insurance afforded to such person or organization will be:
 - (1) The amount by which the minimum limits of insurance you agreed to provide such person or organization in that written contract or agreement exceed the total limits of insurance of all applicable "underlying insurance"; or
 - (2) The limits of insurance of this policy; whichever is less; and
 - b. Coverage under this policy does not apply to such person or organization if the minimum limits of insurance you agreed to provide such person or organization in that written contract or agreement are wholly within the total limits of insurance of all available applicable "underlying insurance".

B. COVERAGE B – UMBRELLA LIABILITY

With respect to Coverage B:

1. The Named Insured shown in the Declarations is an insured.
2. If you are:

- a. An individual, your spouse is also an insured, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, 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, your members are also insureds, but only with respect to the conduct of your business. Your managers are also insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, your "officers" and directors are also 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, your trustees are also insureds, but only with respect to their duties as trustees.

3. 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 "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 injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker"

as a consequence of Paragraph (1)(a) above;

- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your "employees" or "volunteer workers" other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide 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.

(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" or "volunteer workers", any of your partners or members (if you are a partnership or joint venture), or any of your members (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

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representative will have all your rights and duties under this insurance.

4. Any organization, other than a partnership, joint venture or limited liability company, of which you are the sole owner, or in which you maintain an ownership interest of more than 50%, on the first day of the policy period is an insured and will qualify as a Named Insured. No such organization is an insured or will qualify as a Named Insured for "bodily injury" or "property damage" that occurred, or "personal injury" or "advertising injury" caused by an offense committed after the date, if any, during the policy period, that you no longer maintain an ownership interest of more than 50% in such organization.
5. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner, or in which you maintain an ownership interest of more than 50%, is an insured and will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
 - b. Coverage for such organization does not apply to:
 - (1) "Bodily injury" or "property damage" that occurred; or
 - (2) "Personal injury" or "advertising injury" arising out of an offense committed;before you acquired or formed the organization.

No person or organization is an insured or will qualify as a Named 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. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Paragraph B. of **SECTION II – WHO IS AN INSURED.**

C. COVERAGE C – CRISIS MANAGEMENT SERVICE EXPENSES

With respect to Coverage C, the following persons and organizations are insureds and will qualify as Named Insureds:

1. The Named Insured shown in the Declarations.

2. Any organization, other than a partnership, joint venture or limited liability company, of which you are the sole owner, or in which you maintain an ownership interest of more than 50%, on the first day of the policy period. No such organization is an insured or will qualify as a Named Insured for "crisis management service expenses" arising out of a "crisis management event" that first commences after the date, if any, during the policy period, that you no longer maintain an ownership interest of more than 50% in such organization.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner, or in which you maintain an ownership interest of more than 50%, if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
 - b. Coverage for such organization does not apply to "crisis management service expenses" arising out of a "crisis management event" that occurred before you acquired or formed the organization, even if an "executive officer" only first becomes aware of an "event" or "occurrence" that leads to such "crisis management event" after the date you acquired or formed the organization.

No person or organization is an insured or will qualify as a Named 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

- A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay for the amounts described below to which this insurance applies regardless of the number of:
 1. Insureds;
 2. Claims made or "suits" brought;
 3. Number of vehicles involved;
 4. Persons or organizations making claims or bringing "suits"; or
 5. Coverages provided under this insurance.

As indicated in Paragraph D.1. of **SECTION I – COVERAGES**, for any "suit" for which we have the right and duty to defend the insured under Coverage A, defense expenses will be within the

limits of insurance of this policy when such expenses are within the limits of insurance of the applicable "underlying insurance".

- B.** The General Aggregate Limit is the most we will pay for the sum of all:
1. Damages; and
 2. Defense expenses if such expenses are within the limits of insurance of this policy;
- except:
1. Damages and defense expenses because of "bodily injury" or "property damage" included in the "auto hazard";
 2. Damages and defense expenses because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; or
 3. Damages and defense expenses for which insurance is provided under any Aircraft Liability coverage included as "underlying insurance" to which no aggregate limit applies.
- C.** The Products-Completed Operations Aggregate Limit is the most we will pay for the sum of all:
1. Damages; and
 2. Defense expenses if such expenses are within the limits of insurance of this policy; because of "bodily injury" or "property damage" included in the "products-completed operations hazard".
- D.** Subject to Paragraph **B.** or **C.** above, whichever applies, the Occurrence Limit is the most we will pay for the sum of all:
1. Damages, and defense expenses if such expenses are within the limits of insurance of this policy, under Coverage **A** arising out of any one "event" to which the "underlying insurance" applies a limit of insurance that is separate from any aggregate limit of insurance; and
 2. Damages under Coverage **B** because of all "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any one "occurrence".

For the purposes of determining the applicable Occurrence Limit, all related acts or omissions committed in the providing or failing to provide first aid or "Good Samaritan services" to any one person will be considered one "occurrence".

- E.** The Crisis Management Service Expenses Limit is the most we will pay for the sum of all "crisis management service expenses" arising out of all "crisis management events". Payment of such "crisis management service expenses" is in addition to, and will not reduce, any other limit of insurance of this policy.

- F.** The limits of insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding period for purposes of determining the limits of insurance.

SECTION IV – EXCLUSIONS

This insurance does not apply to:

- A.** With respect to Coverage **A** and Coverage **B**:

1. Asbestos

- a. Damages arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the damages are caused or contributed to by the hazardous properties of asbestos.
- b. Damages arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any damages described in Paragraph **a.** above.
- 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, asbestos, asbestos fibers or products containing asbestos; or
 - (2) Claim or "suit" by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

2. Employment-Related Practices

Damages because of injury to:

- a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or

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(3) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment, applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or

b. The spouse, child, parent, brother or sister of that person as a consequence of injury to that person as described in Paragraphs a.(1), (2) or (3) 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.

3. ERISA, COBRA And Similar Laws

Any obligation of the insured under:

- a. The Employees Retirement Income Security Act Of 1974 (ERISA) or any of its amendments;
- b. The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) or any of its amendments; or
- c. Any similar common or statutory law of any jurisdiction.

4. Medical Expenses Or Payments

Any obligation of the insured under any "medical expenses" or medical payments coverage.

5. Nuclear Material

Damages arising out of:

- a. The actual, alleged or threatened exposure of any person or property to; or
- b. The "hazardous properties" of; any "nuclear material".

As used in this exclusion:

- a. "Hazardous properties" includes radioactive, toxic or explosive properties;
- b. "Nuclear material" means "source material", "special nuclear material" or "by-product material"; and
- c. "Source material", "special nuclear material" and "by-product material" have

the meanings given them in the Atomic Energy Act of 1954 or any of its amendments.

6. Uninsured or Underinsured Motorists, No-Fault And Similar Laws

Any liability imposed on the insured, or the insured's insurer, under any of the following laws:

- a. Uninsured motorists;
- b. Underinsured motorists;
- c. Auto no-fault or other first-party personal injury protection (PIP);
- d. Supplementary uninsured/underinsured motorists (New York); or
- e. Medical expense benefits and income loss benefits (Virginia).

7. War

Damages arising out of:

- a. War, including undeclared or civil war; or
- 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.

8. Workers Compensation And Similar Laws

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

B. With respect to Coverage B:

1. Expected Or Intended Bodily Injury Or Property Damage

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

2. Contractual Liability

"Bodily injury", "property damage", "personal injury" or "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 that the insured would have in the absence of the contract or agreement.

3. Liquor Liability

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

- a. Causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises for consumption on your premises;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

4. Employers Liability

"Bodily injury" to:

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

5. Pollution

- a. "Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".
- b. Any loss, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any insured or any other person or organization 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 any governmental authority or any other person or organization 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".

6. Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft 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 that is owned or operated by or rented or loaned to any insured.

7. Auto

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any "auto". 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 "auto".

This exclusion does not apply to "bodily injury" or "property damage" caused by an "occurrence" that takes place outside of the United States of America (including its territories and possessions), Puerto Rico and Canada.

8. Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any 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,

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maintenance, use or entrustment to others of any watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to a watercraft:

- a. While ashore on premises owned by or rented to any insured; or
- b. That is 50-feet long or less and that:
 - (1) You own; or
 - (2) You do not own and is not being used to carry any person or property for a charge.

9. Electronic Data

Damages claimed for the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

10. Damage To Property, Products Or Work

"Property damage" to:

- a. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person or organization, 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;
- b. Premises you sell, give away or abandon if the "property damage" arises out of any part of those premises;
- c. Property loaned to you;
- d. Personal property in the care, custody or control of the insured;
- e. 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;
- f. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it;
- g. "Your product" arising out of "your product" or any part of it; or
- h. "Your work" arising out of "your work" or any part of it and included in the "products-completed operations hazard".

11. 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 fulfill the terms of a contract or agreement.

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.

12. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- 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.

13. Violation Of Consumer Financial Protection Laws

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "bodily injury", "property damage", "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such violation.

14. Unsolicited Communication

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

15. Access Or Disclosure Of Confidential Or Personal Information

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

16. Knowing Violation Of Rights Of Another

"Personal injury" or "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 injury" or "advertising injury".

17. Material Published With Knowledge Of Falsity

"Personal injury" or "advertising injury" arising out of oral or written publication, including publication by electronic means, of material, if done by or at the direction of the insured with knowledge of its falsity.

18. Material Published Or Used Prior To Policy Period

- a. "Personal injury" or "advertising injury" arising out of oral or written publication, including publication by electronic means, of material whose first publication took place before the beginning of the policy period; or
- b. "Advertising injury" arising out of infringement of copyright, "title" or "slogan" in your "advertisement" whose first infringement in your "advertisement" was committed before the beginning of the policy period.

19. Criminal Acts

"Personal injury" or "advertising injury" arising out of a criminal act committed by or at the direction of the insured.

20. Breach Of Contract

"Personal injury" or "advertising injury" arising out of a breach of contract.

21. Quality Or Performance Of Goods – Failure To Conform To Statements

"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".

22. Wrong Description Of Prices

"Advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

23. Intellectual Property

"Personal injury" or "advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

- a. Copyright;
- b. Patent;

- c. Trade dress;
- d. Trade name;
- e. Trademark;
- f. Trade secret; or
- g. Other intellectual property rights or laws.

This exclusion does not apply to:

- a. "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or
- b. Any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

24. Insureds In Media And Internet Type Business

"Personal injury" or "advertising injury" arising out of an offense committed by an insured whose business is:

- a. Advertising, "broadcasting" or publishing;
- b. Designing or determining content of web-sites for others; or
- c. An Internet search, access, content or service provider.

This exclusion does not apply to Paragraphs **a.(1), (2) and (3)** of the definition of "personal injury".

For the purposes of this exclusion:

- a. Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and
- b. The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing.

25. Electronic Chatrooms Or Bulletin Boards

"Personal injury" or "advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.

26. Unauthorized Use Of Another's Name Or Product

"Personal injury" or "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.

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C. With respect to Coverage C:

Newly Acquired, Controlled Or Formed Entities

"Crisis management service expenses" arising out of a "crisis management event" that involves any organization you newly acquire or form and that occurred prior to the date you acquired or formed that organization, even if an "executive officer" only first becomes aware of an "event" or "occurrence" that leads to such "crisis management event" after the date you acquired or formed such organization.

SECTION V – CONDITIONS

A. APPEALS

1. If the insured or the insured's "underlying insurer" elects not to appeal a judgment which exceeds the "applicable underlying limit" or "self-insured retention", we may do so.
2. If we appeal such a judgment, we will pay all costs of the appeal. These payments will not reduce the applicable limits of insurance. In no event will our liability exceed the applicable limit of insurance.

B. BANKRUPTCY

1. Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this insurance.
2. In the event of bankruptcy or insolvency of any "underlying insurer", this insurance will not replace such bankrupt or insolvent "underlying insurer's" policy, and this insurance will apply as if such "underlying insurer" had not become bankrupt or insolvent.

C. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this insurance by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this insurance by mailing or delivering to such 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. 60 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to such 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 insurance is cancelled, we will send such first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If such 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.

D. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. No change can be made in the terms of this insurance except with our consent. The terms of this insurance can be amended or waived only by endorsement issued by us and made a part of this policy.

E. CURRENCY

Payments for damages or expenses described in Paragraph 5. of Paragraph D., **DEFENSE AND SUPPLEMENTARY PAYMENTS, of SECTION I – COVERAGES** will be in the currency of the United States of America. At our sole option, we may make these payments in a different currency. Any necessary currency conversion for such payments will be calculated based on the rate of exchange published in the Wall Street Journal immediately preceding the date the payment is processed.

F. DUTIES REGARDING AN EVENT, OCCURRENCE, CLAIM OR SUIT

1. You must see to it that we are notified as soon as practicable of an "event" or "occurrence" which may result in a claim under this insurance. To the extent possible, notice should include:
 - a. How, when and where the "event" or "occurrence" took place;
 - b. The names and addresses of any persons or organizations sustaining injury, damage or loss, and the names and addresses of any witnesses; and
 - c. The nature and location of any injury or damage arising out of the "event" or "occurrence".
2. If a claim is made or "suit" is brought against any insured which may result in a claim under this insurance, you must see to it that we receive written notice of the claim or "suit" as soon as practicable.

3. With respect to Coverage **A**, the insured must:
 - a. Cooperate with us in the investigation, settlement or defense of any claim or "suit";
 - b. Comply with the terms of the "underlying insurance"; and
 - c. Pursue all rights of contribution or indemnity against any person or organization who may be liable to the insured because of the injury, damage or loss for which insurance is provided under this policy or any policy of "underlying insurance".
4. With respect to Coverage **B**, the insured must:
 - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - b. Authorize us to obtain necessary records and other information;
 - c. Cooperate with us in the investigation, settlement or defense of any claim or "suit"; and
 - d. 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 Coverage **B** may apply.
5. No insured will, except at that insured's own expense, voluntarily make a payment, assume any obligation, make any admission or incur any expense, other than for first aid for "bodily injury" covered by this insurance, without our consent.
6. Knowledge of an "event", "occurrence", claim or "suit" by your agent, servant or "employee" will not constitute knowledge by you, unless your insurance or risk manager, or anyone working in the capacity as your insurance or risk manager, or anyone you designate with the responsibility of reporting an "event", "occurrence", claim or "suit":
 - a. Has received notice of such "event", "occurrence", claim or "suit" from such agent, servant or "employee"; or
 - b. Otherwise has knowledge of such "event", "occurrence", claim or "suit".

G. DUTIES REGARDING A CRISIS MANAGEMENT EVENT

You must:

1. Notify us within 30 days of a "crisis management event" that may result in "crisis management service expenses".
2. Provide written notice of the "crisis management event" as soon as practicable. To the extent possible, notice should include:
 - a. How, when and where that "crisis management event" took place;
 - b. The names and addresses of any persons or organizations sustaining injury, damage or loss, and the named and addresses of any witnesses;
 - c. The nature and location of any injury or damage arising out of that "crisis management event"; and
 - d. The reason that "crisis management event" is likely to involve damages covered by this insurance in excess of the "applicable underlying limit" or "self-insured retention" and involve regional or national media coverage.

H. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this insurance:

1. At any time during the policy period;
2. Up to three years after the end of the policy period; and
3. Within one year after final settlement of all claims under this insurance.

I. EXTENDED REPORTING PERIOD OPTION

1. When the "underlying insurance" applies on a claims-made basis, any automatic or basic "extended reporting period" in such "underlying insurance" will apply to this insurance.
2. When the "underlying insurance" applies on a claims-made basis and you elect to purchase an optional or supplemental "extended reporting period" in such "underlying insurance," that "extended reporting period" will apply to this insurance only if:
 - a. A written request to purchase an Extended Reporting Period endorsement for this insurance is made by you and received by us within 90 days after the end of the policy period;

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- b. You have paid all premiums due for this policy at the time you make such request;
 - c. You promptly pay the additional premium we charge for the Extended Reporting Period endorsement for this insurance when due. We will determine that additional premium after we have received your request for the Extended Reporting Period endorsement for this insurance. That additional premium is not subject to any limitation stated in the "underlying insurance" on the amount or percentage of additional premium that may be charged for the "extended reporting period" in such "underlying insurance"; and
 - d. That Extended Reporting Period endorsement is issued by us and made a part of this policy.
3. Any Extended Reporting Period endorsement for this insurance will not reinstate or increase the Limits of Insurance or extend the policy period.
 4. Except with respect to any provisions to the contrary contained in Paragraphs 1., 2. or 3. above, all provisions of any option to purchase an "extended reporting period" granted to you in the "underlying insurance" apply to this insurance.

J. INSPECTIONS AND SURVEYS

1. We have the right but are not obligated to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. Any inspections, surveys, reports or recommendations 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. We do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

K. LEGAL ACTION AGAINST US

1. No person or organization has a right under this insurance:
 - 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 insurance unless all of its terms have been fully complied with.
2. A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured. We will not be liable for damages that:
 - a. Are not payable under the terms of this insurance; or
 - b. 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.

L. MAINTENANCE OF UNDERLYING INSURANCE

1. The insurance afforded by each policy of "underlying insurance" will be maintained for the full policy period of this Excess Follow-Form And Umbrella Liability Insurance. This provision does not apply to the reduction or exhaustion of the aggregate limit or limits of such "underlying insurance" solely by payments as permitted in Paragraphs 4.a.(1), (2) and (3) of **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY** of **SECTION I – COVERAGES**. As such policies expire, you will renew them at limits and with coverage at least equal to the expiring limits of insurance. If you fail to comply with the above requirements, Coverage **A** is not invalidated. However, in the event of a loss, we will pay only to the extent that we would have paid had you complied with the above requirements.
2. The first Named Insured shown in the Declarations must give us written notice of any change in the "underlying insurance" as respects:
 - a. Coverage;
 - b. Limits of insurance;
 - c. Termination of any coverage; or
 - d. Exhaustion of aggregate limits.
3. If you are unable to recover from any "underlying insurer" because you fail to comply with any term or condition of the "underlying insurance", Coverage **A** is not invalidated. However, we will pay for any loss only to the extent that we would have paid had you complied with that term or condition in that "underlying insurance".

M. OTHER INSURANCE

This insurance is excess over any valid and collectible "other insurance" whether such "other insurance" is stated to be primary, contributing,

excess, contingent or otherwise. This provision does not apply to a policy bought specifically to apply as excess of this insurance.

However, if you specifically agree in a written contract or agreement that the insurance provided to any person or organization that qualifies as an insured under this insurance must apply on a primary basis, or a primary and non-contributory basis, then insurance provided under Coverage A is subject to the following provisions:

1. This insurance will apply before any "other insurance" that is available to such additional insured which covers that person or organization as a named insured, and we will not share with that "other insurance", provided that the injury or damage for which coverage is sought is caused by an "event" that takes place or is committed subsequent to the signing of that contract or agreement by you.
2. This insurance is still excess over any valid and collectible "other insurance", whether primary, excess, contingent or otherwise, which covers that person or organization as an additional insured or as any other insured that does not qualify as a named insured.

N. PREMIUM

1. The first Named Insured shown in the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums.
2. If the premium is a flat charge, it is not subject to adjustment except as provided in Paragraph 4. below.
3. If the premium is other than a flat charge, it is an advance premium only. The earned premium will be computed at the end of the policy period, or at the end of each year of the policy period if the policy period is two years or longer, at the rate shown in the Declarations, subject to the Minimum Premium.
4. Additional premium may become payable when coverage is provided for additional insureds under the provisions of **SECTION II – WHO IS AN INSURED.**

O. PREMIUM AUDIT

The premium for this policy is the amount stated in Item 5. of the Declarations. The premium is a flat charge unless it is specified in the Declarations as adjustable.

P. PROHIBITED COVERAGE – UNLICENSED INSURANCE

1. With respect to loss sustained by any insured in a country or jurisdiction in which we are not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
2. We do not assume responsibility for:
 - a. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because we are not licensed to provide insurance in such country or jurisdiction; or
 - b. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which we are not licensed to provide insurance.

Q. PROHIBITED COVERAGE – TRADE OR ECONOMIC SANCTIONS

We will provide coverage for any loss, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose us or any of our affiliated or parent companies to:

1. Any trade or economic sanction under any law or regulation of the United States of America; or
2. Any other applicable trade or economic sanction, prohibition or restriction.

R. REPRESENTATIONS

By accepting this insurance, you agree:

1. The statements in the Declarations and any subsequent notice relating to "underlying insurance" are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this insurance in reliance upon your representations.

S. SEPARATION OF INSURED

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured shown in the Declarations, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom claim is made or "suit" is brought.

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T. WAIVER OR TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

1. If the insured has rights to recover all or part of any payment we have made under this insurance, those rights are transferred to us and 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, and with respect to Coverage A, the "underlying insurer", enforce them.

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against that person or organization, but only for payments we make because of an "event" that takes place or is committed subsequent to the execution of that contract or agreement by such insured.

2. Reimbursement of any amount recovered will be made in the following order:
 - a. First, to any person or organization (including us or the insured) who has paid any amount in excess of the applicable limit of insurance;
 - b. Next, to us; and
 - c. Then, to any person or organization (including the insured and with respect to Coverage A, the "underlying insurer") that is entitled to claim the remainder, if any.
3. Expenses incurred in the process of recovery will be divided among all persons or organizations receiving amounts recovered according to the ratio of their respective recoveries.

U. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS INSURANCE

1. Your rights and duties under this insurance may not be transferred without our written consent except in the case of death of an individual Named Insured.
2. 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.

V. UNINTENTIONAL OMISSION OR ERROR

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this

provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

W. WHEN LOSS IS PAYABLE

If we are liable under this insurance, we will pay for injury, damage or loss after:

1. The insured's liability is established by:
 - a. A court decision; or
 - b. A written agreement between the claimant, the insured, any "underlying insurer" and us; and
2. The amount of the "applicable underlying limit" or "self-insured retention" is paid by or on behalf of the insured.

SECTION VI – DEFINITIONS

A. With respect to all coverages of this insurance:

1. "Applicable underlying limit" means the sum of:
 - a. The applicable limit of insurance stated for the policies of "underlying insurance" in the Schedule Of Underlying Insurance subject to the provisions in Paragraphs 4.a.(1), (2) and (3) of **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY OF SECTION I – COVERAGES**; and
 - b. The applicable limit of insurance of any "other insurance" that applies.

The limits of insurance in any policy of "underlying insurance" will apply even if:

- a. The "underlying insurer" claims the insured failed to comply with any term or condition of the policy; or
 - b. The "underlying insurer" becomes bankrupt or insolvent.
2. "Auto hazard" means all "bodily injury" and "property damage" to which liability insurance afforded under an auto policy of "underlying insurance" would apply but for the exhaustion of its applicable limits of insurance.
 3. "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.
 4. "Event" means an "occurrence", offense, accident, act, error, omission, wrongful act or loss.

5. "Extended reporting period" means any period of time, starting with the end of the policy period of your claims-made insurance, during which claims or "suits" may be first made, brought or reported for that insurance.
6. "Medical expenses" means expenses to which any Medical Payments section of any policy of Commercial General Liability "underlying insurance" applies.
7. "Other insurance" means insurance, or the funding of losses, that is provided by, through or on behalf of:
 - a. Another insurance company;
 - b. Us or any of our affiliated insurance companies;
 - c. Any risk retention group;
 - d. Any self-insurance method or program, in which case the insured will be deemed to be the provider of such insurance; or
 - e. Any similar risk transfer or risk management method.

"Other insurance" does not include:

- a. Any "underlying insurance"; or
 - b. Any policy of insurance specifically purchased to be excess of the limits of insurance of this policy shown in the Declarations.
8. "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 the work called for in your contract has been completed;
 - (b) When all 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 a policy of Commercial General Liability "underlying insurance" states that products-completed operations are subject to the General Aggregate Limit.

9. "Suit" means a civil proceeding which alleges damages. "Suit" includes:
 - a. An arbitration proceeding in which damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding to which the insured submits with our consent.
10. "Underlying insurance":
 - a. Means the policy or policies of insurance listed in the Schedule Of Underlying Insurance.
 - b. Includes any renewal or replacement of such policies if such renewal or replacement is during the policy period of this Excess Follow-Form And Umbrella Liability Insurance.
 - c. Does not include any part of the policy period of any of the policies described in Paragraphs a. or b. above that began before, or that continues after, the policy period of this Excess Follow-Form And Umbrella Liability Insurance.
11. "Underlying insurer" means any insurer which provides a policy of insurance listed in the Schedule Of Underlying Insurance.

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- B.** With respect to Coverage **B** and, to the extent that the following terms are not defined in the "underlying insurance", to Coverage **A**:
1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
 2. "Advertising injury":
 - a. Means injury, other than "personal injury", caused by one or more of the following offenses:
 - (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
 - (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light; or
 - (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".
 - b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph **a.** above.
 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 where it is licensed or principally garaged.However, "auto" does not include "mobile equipment".
 4. "Bodily injury" means:
 - a. Physical harm, including sickness or disease, sustained by a person; or
 - b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.
 5. "Broadcasting" means transmitting any audio or visual material for any purpose:
 - a. By radio or television; or
 - b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
 - (1) Radio or television programming being transmitted;
 - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
 - (3) Advertising transmitted with any such programming.
 6. "Consumer financial identity information" means any of the following information for a person that is used or collected for the purpose of serving as a factor in establishing such person's eligibility for personal credit, insurance or employment or for the purpose of conducting a business transaction:
 - a. Part or all of the account number, the expiration date or the balance of any credit, debit, bank or other financial account;
 - b. Information bearing on a person's credit worthiness, credit standing or credit capacity;
 - c. Social security number;
 - d. Driver's license number; or
 - e. Birth date.
 7. "Consumer financial protection law" means:
 - a. The Fair Credit Reporting Act (FCRA) and any of its amendments, including the Fair and Accurate Credit Transactions Act (FACTA);

- b. California's Song-Beverly Credit Card Act and any of its amendments; or
 - c. Any other law or regulation that restricts or prohibits the collection, dissemination, transmission, distribution or use of "consumer financial identity information".
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.
10. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
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" does not include a "temporary worker".
12. "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".
13. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads.
 - b. Vehicles maintained for use solely on or next to premises you own or rent.
 - c. Vehicles that travel on crawler treads.
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers.
 - e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers.
 - f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged. Such land vehicles are considered "autos".

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14. "Occurrence" means:

a. With respect to "bodily injury" or "property damage":

(1) An accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in "bodily injury" or "property damage". All "bodily injury" or "property damage" caused by such exposure to substantially the same general harmful conditions will be deemed to be caused by one "occurrence"; or

(2) An act or omission committed in providing or failing to provide first aid or "Good Samaritan services" to a person by any of your "employees" or "volunteer workers" other than an employed or volunteer doctor, unless you are in the business or occupation of providing professional health care services;

b. With respect to "personal injury", an offense arising out of your business that results in "personal injury". All "personal injury" caused by the same or related injurious material, act or offense will be deemed to be caused by one "occurrence", regardless of the frequency or repetition thereof, the number and kind of media used or the number of persons or organizations making claims or bringing "suits"; and

c. With respect to "advertising injury", an offense committed in the course of advertising your goods, products and services that results in "advertising injury". All "advertising injury" caused by the same or related injurious material, act or offense will be deemed to be caused by one "occurrence", regardless of the frequency or repetition thereof, the number and kind of media used or the number of persons or organizations making claims or bringing "suits".

15. "Officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

16. "Personal injury":

a. Means injury, other than "advertising injury", caused by one or more of the following offenses:

(1) False arrest, detention or imprisonment;

(2) Malicious prosecution;

(3) 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, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;

(4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or

(5) Oral or written publication, including publication by electronic means, of material that:

(a) Appropriates a person's name, voice, photograph or likeness; or

(b) Unreasonably places a person in a false light.

b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.

17. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

18. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will 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 will 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.

19. "Self-insured retention" is the greater of:

a. The amount shown in the Declarations which the insured must first pay under Coverage B for damages because of all

"bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any one "occurrence"; or

- b. The applicable limit of insurance of any "other insurance" that applies.

20. "Slogan":

- a. Means a phrase that others use for the purpose of attracting attention in their advertising.
- b. Does not include a phrase used as, or in, the name of:
 - (1) Any person or organization other than you; or
 - (2) Any business, or any of the premises, goods, products, services or work, of any person or organization other than you.

21. "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.

22. "Title" means the name of a literary or artistic work.

23. "Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.

24. "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 by you.

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.

C. With respect to Coverage C:

- 1. "Crisis management advisor" means any public relations firm or crisis management firm approved by us that is hired by you to perform "crisis management services" in connection with a "crisis management event".
- 2. "Crisis management event" means an "event" or "occurrence" that your "executive officer" reasonably determines has resulted, or may result, in:
 - a. Damages covered by this Coverage **A** or Coverage **B** that are in excess of the total applicable limits of the "underlying insurance" or "self-insured retention"; and
 - b. Significant adverse regional or national media coverage.
- 3. "Crisis management service expenses" means amounts incurred by you, after a "crisis management event" first commences and before such event ends:
 - a. For the reasonable and necessary:
 - (1) Fees and expenses of a "crisis management advisor" in the performance for you of "crisis management services" solely for a "crisis management event"; and

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- (2) Costs for printing, advertising, mailing of materials or travel by your directors, officers, employees or agents or a "crisis management advisor" solely for a "crisis management event"; and
- b. For the following expenses resulting from such "crisis management event", provided that such expenses have been approved by us:
 - (1) Medical expenses;
 - (2) Funeral expenses;
 - (3) Psychological counseling;
 - (4) Travel expenses;
 - (5) Temporary living expenses;
 - (6) Expenses to secure the scene of a "crisis management event"; or
 - (7) Any other expenses pre-approved by us.
4. "Crisis management services" means those services performed by a "crisis management advisor" in advising you or minimizing potential harm to you from a "crisis management event" by maintaining or restoring public confidence in you.
5. "Executive officer" means your:
 - a. Chief Executive Officer;
 - b. Chief Operating Officer;
 - c. Chief Financial Officer;
 - d. President;
 - e. General Counsel;
 - f. General partner (if you are a partnership); or
 - g. Sole proprietor (if you are a sole proprietorship);or any person acting in the same capacity as any individual listed above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION – COVERAGES A AND B – WITH LIMITED FOLLOW-FORM EXCEPTION – VERMONT

This endorsement modifies insurance provided under the following:
 EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

PROVISIONS

1. The following exclusion is added to Paragraph A. of **SECTION IV – EXCLUSIONS:**

Abuse Or Molestation

Damages arising out of any act of "abuse or molestation".

With respect to Coverage A, if your "underlying insurance" includes any of the following insurance:

- a. Law Enforcement Liability;
- b. Public Entity Employment-Related Practices Liability; or
- c. Public Entity Management Liability;

this exclusion does not apply to damages to which such insurance would apply but for the exhaustion of its applicable limits of insurance.

2. The following is added to Paragraph A. of **SECTION VI – DEFINITIONS:**

"Abuse or molestation" means any actual or threatened:

- a. Illegal or offensive act of a sexual nature committed by any person against any person who is:
 - (1) Under 18 years of age;
 - (2) Your student;
 - (3) Legally incompetent; or
 - (4) In the care, custody or control of any insured; or
- b. Illegal or offensive act of a non-sexual nature committed by any person who otherwise qualifies as an insured against any insured who is:
 - (1) Under 18 years of age;
 - (2) Your student;
 - (3) Legally incompetent; or
 - (4) In the care, custody or control of any insured.

POLICY NUMBER:

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ISSUE DATE:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCESS UNINSURED OR UNDERINSURED MOTORISTS COVERAGE

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

SCHEDULE OF EXCESS UNINSURED OR UNDERINSURED MOTORISTS COVERAGE

STATE

EACH ACCIDENT LIMIT OF INSURANCE

PROVISIONS

1. The following is added to **SECTION I – COVERAGES**:

COVERAGE – EXCESS UNINSURED OR UNDERINSURED MOTORISTS

1. a. For an "auto" licensed or principally garaged in a state shown in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage, we will pay all sums to which the insured is legally entitled to recover as damages from the owner or driver of an uninsured "auto" or underinsured "auto" because of "bodily injury":

(1) Sustained by the insured;

(2) Caused by an accident; and

(3) Arising out of the ownership, maintenance or use of the uninsured "auto" or underinsured "auto",

provided that the insured maintains the policy of "underlying insurance" shown in the Schedule Of Underlying Insurance which provides Uninsured Motorists Coverage or Underinsured Motorists Coverage at limits at least as high as the

bodily injury liability limits of such "underlying insurance".

b. This Excess Uninsured Or Underinsured Motorists Coverage is subject to the following conditions:

(1) The same insuring agreements, exclusions, terms, conditions and definitions of the Uninsured Motorists Coverage or Underinsured Motorists Coverage provided by a policy of "underlying insurance" for an "auto" licensed or principally garaged in a state listed in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage will apply to this Excess Uninsured Or Underinsured Motorists Coverage; and

(2) We will only be liable for damages resulting from any one accident in excess of the bodily injury liability limits of the policy providing Uninsured Motorists Coverage or Underinsured Motorists Coverage in the "underlying insurance" shown in the Schedule Of Underlying

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Insurance, regardless of the limits of the Uninsured Motorists Coverage or Underinsured Motorists Coverage in the "underlying insurance".

2. The following is added to **SECTION II – WHO IS AN INSURED:**

COVERAGE – EXCESS UNINSURED OR UNDERINSURED MOTORISTS

With respect to Coverage – Excess Uninsured Or Underinsured Motorists the following are insureds:

Any person or organization qualifying as an insured in the Uninsured Motorists Coverage or Underinsured Motorists Coverage provided in the "underlying insurance" shown in the Schedule Of Underlying Insurance applicable to a state listed in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage is an insured.

3. The following is added to **SECTION III – LIMITS OF INSURANCE:**

With respect to Coverage – Excess Uninsured Or Underinsured Motorists:

1. The most we will pay for all damages resulting from any one accident is the Each Accident Limit Of Insurance shown in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage for the applicable state regardless of the number of covered "autos", insureds, premiums paid, claims made or vehicles involved in the accident.
2. If a limit is not shown in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage, the limit of liability for Excess Uninsured Or Underinsured Motorists Coverage will be the minimum limit for such insurance required by the law of the state in which the "auto" is licensed or principally garaged that is a state listed in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage.
3. The Each Accident Limit Of Insurance applies excess of the limit of bodily injury liability of the policy providing Uninsured Motorists Coverage or Underinsured Motorists Coverage in the "underlying insurance" shown in the Schedule Of Underlying Insurance applicable to the "auto" licensed or principally garaged in a state listed in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage

regardless of the limits of the Uninsured Motorists Coverage or Underinsured Motorists Coverage in such "underlying insurance" applicable to that "auto".

4. The following is added to **SECTION IV – EXCLUSIONS:**

With respect to Coverage – Excess Uninsured Or Underinsured Motorists:

Any exclusion in the Uninsured Motorists Coverage or Underinsured Motorists Coverage provided by a policy of "underlying insurance" for an "auto" licensed or principally garaged in a state listed in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage will apply to this Excess Uninsured Or Underinsured Motorists Coverage.

5. The following is added to Paragraph F., **DUTIES REGARDING AN EVENT, OCCURRENCE, CLAIM OR SUIT, of SECTION V – CONDITIONS:**

With respect to Coverage – Excess Uninsured Or Underinsured Motorists:

Any Duties In The Event Of Accident, Claim, Suit Or Loss or similar condition in the Uninsured Motorists Coverage or Underinsured Motorists Coverage provided by a policy of "underlying insurance" for an "auto" licensed or principally garaged in a state listed in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage will apply to this Excess Uninsured Or Underinsured Motorists Coverage.

6. The following is added to Paragraph M., **OTHER INSURANCE, of SECTION V – CONDITIONS:**

With respect to Coverage – Excess Uninsured Or Underinsured Motorists:

This insurance applies excess of the Uninsured Motorists Coverage or Underinsured Motorists Coverage provided by a policy of "underlying insurance" for an "auto" licensed or principally garaged in a state listed in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage, subject to Paragraph 1. of **SECTION I – COVERAGES – COVERAGE – EXCESS UNINSURED OR UNDERINSURED MOTORISTS** and **SECTION III – LIMITS OF INSURANCE.**

7. The following is added to Paragraph T., **WAIVER OR TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US, of SECTION V – CONDITIONS:**

With respect to Coverage – Excess Uninsured Or Underinsured Motorists:

The terms of any Transfer Of Rights Of Recovery Against Others To Us or similar condition in the Uninsured Motorists Coverage or Underinsured Motorists Coverage provided by a policy of "underlying insurance" for an "auto" licensed or principally garaged in a state listed in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage will apply to this Excess Uninsured Or Underinsured Motorists Coverage.

8. The following is added to SECTION V – CONDITIONS:

ARBITRATION

With respect to Coverage – Excess Uninsured Or Underinsured Motorists:

The terms of any Arbitration condition in the Uninsured Motorists Coverage or Underinsured Motorists Coverage provided by a policy of "underlying insurance" for an "auto" licensed or principally garaged in a state listed in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage will apply to this Excess Uninsured Or Underinsured Motorists Coverage.

9. The following is added to SECTION VI – DEFINITIONS:

With respect to Coverage – Excess Uninsured Or Underinsured Motorists:

1. Unless defined in this policy, any definition in the Uninsured Motorists Coverage or Underinsured Motorists Coverage provided by a policy of "underlying insurance" for an "auto" licensed or principally garaged in a state listed in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage will apply to this Excess Uninsured Or Underinsured Motorists Coverage.
2. Any definition in the Uninsured Motorists Coverage or Underinsured Motorists Coverage provided by a policy of "underlying insurance" for an "auto" licensed or principally garaged in a state listed in the Schedule Of Excess Uninsured Or Underinsured Motorists Coverage that is in conflict with a defined term in this policy will replace the definition in this policy and apply to this Excess Uninsured Or Underinsured Motorists Coverage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VERMONT CHANGES

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

PROVISIONS

1. Wherever it appears throughout this policy, any reference to defense expenses payable within the limits of insurance is deleted. All defense expenses covered by this insurance are payable outside of the limits of insurance.

2. Wherever it appears throughout this policy, the term spouse is replaced by the following:

Spouse or party to a civil union recognized under Vermont law.

3. The following is added to Paragraph 1. in Paragraph A., **APPEALS**, of **SECTION V - CONDITIONS**:

No limitation of liability in this policy shall be valid if, after a judgment has been rendered against you in respect to your legal liability for damages in a particular instance, we continue litigation by an appeal or otherwise, unless you shall stipulate with us, agreeing to continue such litigation.

4. The following replaces Paragraph 2. in Paragraph C., **CANCELLATION**, of **SECTION V - CONDITIONS**:

a. Cancellation Of Policies In Effect For Less Than 60 Days.

If this insurance has been in effect for less than 60 days and this insurance is not a renewal of insurance we issued, we may cancel this insurance by:

(1) Giving the first Named Insured at least 15 days notice prior to the cancellation date for nonpayment of premium or substantial increase in hazard; or

(2) Mailing or delivering to the first Named Insured at least 45 days notice prior to the cancellation date for any other reason.

Written notice of cancellation, including the reason for cancellation, will be mailed or delivered to the first Named Insured's last mailing address known to us.

If cancellation is for nonpayment of premium, written notice may be sent by certificate of mailing or certified

mail. If cancellation is for any reason other than nonpayment of premium, written notice must be sent by certified mail.

b. Cancellation Of Policies In Effect For More Than 60 Days.

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

(1) Nonpayment of premium;

(2) Fraud or material misrepresentation affecting this insurance or in the presentation of claims under this insurance;

(3) Violation of any provisions of this insurance; or

(4) Substantial increase in hazard, provided we have secured approval for the cancellation from the Commissioner of Insurance.

c. If we cancel this insurance for one of the reasons specified in paragraph **b.**, we will cancel only in the following manner:

(1) By giving at least 15 days notice before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) By mailing or delivering at least 45 days notice before the effective date of cancellation if we cancel for any other reason.

Written notice of cancellation, including the reason for cancellation, will be mailed or delivered to your last mailing address known to us.

If cancellation is for nonpayment of premium, written notice may be sent by certificate of mailing or certified mail. If cancellation is for any reason other than nonpayment of premium, written notice must be sent by certified mail.

5. The following replaces Paragraph 3. in Paragraph I., **EXTENDED REPORTING PERIOD OPTION**, of **SECTION V - CONDITIONS**:

3. Any "extended reporting period" endorsement for this insurance will

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not extend the policy period of this policy. The Limits of Insurance of this insurance will be reinstated for claims or "suits" made or brought during the "extended reporting period".

6. The following is added to **SECTION V - CONDITIONS:**

WHEN WE DO NOT RENEW

1. We may elect not to renew this insurance by mailing, by certified mail, or delivering written notice of nonrenewal to the first Named Insured's last mailing address known to us. We will mail or deliver this notice at least 45 days before the:
 - a. Expiration of the insurance;
 - b. Anniversary date of this insurance if this insurance has been written for a term of more than one year.
2. This provision does not apply:
 - a. If we have indicated a willingness to renew;
 - b. In case of nonpayment of premium; or
 - c. If you do not pay any advance premium required by us for renewal.
3. If we fail to mail or deliver proper notice of nonrenewal, this insurance will end on the effective date of any other policy with respect to property designated in both policies.

RENEWAL

1. If we elect to renew this insurance and have the necessary information to issue a renewal, we will confirm in writing at least 45 days before it expires our intention to renew this insurance and the premium at which this insurance will be renewed.
2. If we do not comply with provisions of Paragraph 1., you will have renewal coverage. The renewal coverage will be at the rates:

(1) In effect under the expiring or expired insurance; or

(2) In effect on the expiration date, that have been approved by the Commissioner,

whichever are lower. This renewal coverage will continue for 45 days after we confirm renewal coverage and premium. If you accept our confirmation of renewal coverage and premium, this Paragraph 2. does not apply.

7. The following is added to Paragraph K., **LEGAL ACTION AGAINST US**, of **SECTION V - CONDITIONS:**

Any legal action against us to recover for loss under this policy must be brought within one year after amount of loss is finally established. The amount of loss can be established only by judicial judgment or by an agreement between the parties involved with our written consent.

In the event of the insured's bankruptcy or insolvency, an injured person or claimant who has obtained a judgment against the insured may bring "suit" against us, provided:

1. The judgment was for damages covered by this policy; and
2. The "suit" is for damages in amounts no greater than the applicable Limits of Insurance of this policy.

Payment by the insured of any judicial judgment or claim for any of our liability under this policy will not deprive the insured of the right to bring action against us.

8. The following is added to Paragraph W., **WHEN LOSS IS PAYABLE**, of **SECTION V - CONDITIONS:**

After settlement has been agreed upon, we shall mail the claim payment in the amount agreed to with the claimant and/or loss payee within ten (10) working days, unless a further delay is mandated under an order by a court of competent jurisdiction or required by law.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE FOR FINANCIAL INTEREST IN FOREIGN INSURED ORGANIZATIONS

This endorsement modifies insurance provided under the following:
EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

PROVISIONS

1. The following is added to Paragraph A., **COVERAGE A - EXCESS FOLLOW-FORM LIABILITY**, and Paragraph B., **COVERAGE B - UMBRELLA LIABILITY**, of **SECTION I - COVERAGES**:

If a "foreign loss" is incurred by a "foreign insured organization", or by any other insured for whom such "foreign insured organization" is liable, we will reimburse the first Named Insured, or any other Named Insured that is not a "foreign insured organization", for such "foreign loss" because of its "financial interest" in that "foreign insured organization". For purposes of this insurance, amounts we reimburse under:

- a. Paragraph a. of the definition of "foreign loss" will be deemed to be sums that such Named Insured becomes legally obligated to pay as damages under this policy; and
- b. Paragraph b. of the definition of "foreign loss" will be deemed to be payments we make under Paragraph 5. of Paragraph D., **DEFENSE AND SUPPLEMENTARY PAYMENTS**, in **SECTION I - COVERAGES**.

2. The following is added to **SECTION V - CONDITIONS**:

DUTIES IN THE EVENT OF A CLAIM OR SUIT FOR FOREIGN LOSS

If a claim or "suit" for "foreign loss" is made or brought against a "foreign insured organization", or any other insured for whom such "foreign insured organization" is liable, the first Named Insured must:

1. Arrange to investigate and defend such claim or "suit";
2. Notify us in writing in advance of any proposed settlement of such claim or "suit"; and
3. Comply with all other conditions of this insurance as if such claim or "suit" were made or brought against any insured that is not a "foreign insured organization".

3. The following is added to Paragraph A. of **SECTION VI - DEFINITIONS**:

"Financial interest" means the insurable interest in a "foreign insured organization" because of:

- a. Sole ownership of, or majority ownership interest in, such "foreign insured organization", either directly or through one or more intervening subsidiaries;
- b. Indemnification of, or an obligation to indemnify:
 - (1) Such "foreign insured organization"; or
 - (2) Any other insured for whom such "foreign insured organization" is liable;

for a "foreign loss"; or
- c. An obligation to obtain insurance for such "foreign insured organization".

"Foreign insured organization" means any organization that:

- a. Is an insured under **SECTION II - WHO IS AN INSURED**; and
- b. Is located in a country or jurisdiction in which we are not licensed to provide this insurance and where providing this insurance would violate the laws or regulations of such country or jurisdiction.

"Foreign loss" means:

- a. Sums, in excess of the "applicable underlying limit" or "self-insured retention", that an insured becomes legally obligated to pay as damages because of loss to which the insurance provided under this policy would have applied; or
- b. Payments described in Paragraph 5. of Paragraph D., **DEFENSE AND SUPPLEMENTARY PAYMENTS** in **SECTION I - COVERAGES** that we would have made with respect to any claim or "suit" against an insured:
 - (1) That we would have defended, investigated or settled; or

(2) For which we would have paid our part of a judgment;

but for the fact that such insured is located in any country or jurisdiction in which we are not licensed to provide this insurance and where providing this insurance would violate the laws or regulations of such country or jurisdiction.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FAILURE TO SUPPLY EXCLUSION – COVERAGES A AND B

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

The following exclusion is added to Paragraph **A.** of **SECTION IV – EXCLUSIONS:**

Failure To Supply

Damages arising out of the failure of any insured to adequately supply:

- a.** Gas, including liquefied petroleum gas, any other natural gas liquid and liquefied natural gas;
- b.** Oil;
- c.** Any other hydrocarbon or hydrocarbon-based product, including gasoline or any other petroleum product;
- d.** Water;
- e.** Electricity;
- f.** Steam; or
- g.** Biofuel.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**FUNGI OR BACTERIA EXCLUSION –
COVERAGES A AND B – VERMONT**

This endorsement modifies insurance provided under the following:
EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

PROVISIONS

1. The following exclusion is added to Paragraph A. of **SECTION IV – EXCLUSIONS:**

Fungi Or Bacteria

- a. Damages arising out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage; or
- 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, "fungi" or bacteria; or

(2) Claim or "suit" by or on behalf of a governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of, "fungi" or bacteria.

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

2. The following is added to Paragraph A. of **SECTION VI – DEFINITIONS:**

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOBILE EQUIPMENT RACING EXCLUSION – COVERAGE B

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

The following exclusion is added to Paragraph **B.** of **SECTION IV – EXCLUSIONS:**

Mobile Equipment Racing

“Bodily injury” or “property damage” arising out of the use of “mobile equipment” in, or while in practice or while being prepared for, any prearranged racing, speed, demolition or stunting activity.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM) – COVERAGES A AND B

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

PROVISIONS

1. The following replaces Exclusion 5., **Nuclear Material**, in Paragraph A. of **SECTION IV – EXCLUSIONS**:

Nuclear Energy Liability (Broad Form)

a. Under any Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

b. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

c. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material" if:

(1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by

or on behalf of, an insured or (b) has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an insured; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. The following is added to Paragraph A. of **SECTION VI – DEFINITIONS**:

"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".

UMBRELLA

"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; or

- 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.

AMENDMENT OF COVERAGE – DEFINITIONS

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

The following replaces the introduction to Paragraph **B.** of **SECTION VI – DEFINITIONS:**

With respect to Coverages **B** and **C** and, to the extent that the following terms are not defined in the "underlying insurance", to Coverage **A:**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PUBLIC USE OF PRIVATE PROPERTY EXCLUSION – COVERAGES A AND B

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

The following exclusion is added to Paragraph A. of **SECTION IV – EXCLUSIONS:**

Public Use Of Private Property

Damages arising out of the taking or controlling of private property for public use or benefit, including the diminution in value of such property, by condemnation, inverse condemnation, adverse possession, dedication by adverse use or any other method or proceeding.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATERCRAFT LIABILITY EXCLUSION – COVERAGE B

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

The following exclusion replaces Paragraph **B.8., Watercraft**, of **SECTION IV – EXCLUSIONS**:

Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any 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 watercraft that is owned or operated or rented or loaned to any insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOLLOW-FORM LIMITATION – COVERAGE B

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

PROVISIONS

The following exclusion is added to Paragraph B. of **SECTION IV – EXCLUSIONS:**

Follow-Form Limitation

“Bodily injury”, “property damage”, “personal injury” or “advertising injury” that is not covered by the “underlying insurance” because of:

- a. Any exclusion;
 - b. Any definition, other than a definition of coverage territory; or
 - c. Any other coverage limitation in that “underlying insurance”;
- regardless of whether this policy includes a similar exclusion, definition or coverage limitation.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF UNDERLYING INSURANCE DEFINITION

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

The following replaces the definition of "underlying insurance" in Paragraph **A.** of **SECTION VI – DEFINITIONS:**

"Underlying insurance":

a. Means the insurance that:

- (1)** Is listed in the Schedule Of Underlying Insurance; and
- (2)** Has amounts stated for its limits of liability in that schedule.

b. Includes any renewal or replacement of such insurance if such renewal or replacement is during the policy period of this Excess Follow-Form And Umbrella Liability Insurance.

c. Does not include:

- (1)** Any part of the policy period of any insurance described in Paragraphs **a.** or **b.** above that began before, or that continues after, the policy period of this Excess Follow-Form And Umbrella Liability Insurance; or
- (2)** Any coverage provided under any insuring agreement added by endorsement to any insurance described in Paragraphs **a.** or **b.** unless such coverage is separately listed in the Schedule Of Underlying Insurance and has amounts stated for its limits of liability in that schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF WHO IS AN INSURED – EMPLOYEES AND VOLUNTEER WORKERS – COVERAGE B

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

PROVISIONS

1. Paragraph 3.a. in Paragraph B. of **SECTION II – WHO IS AN INSURED** is deleted.
2. The following replaces the second paragraph of Exclusion 6., **Aircraft**, in Paragraph B. of **SECTION IV – EXCLUSIONS**:

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 that is owned or operated by

or rented or loaned to any insured or any "employee" or "volunteer worker".

3. The following replaces the second paragraph of Exclusion 8., **Watercraft**, in Paragraph B. of **SECTION IV – EXCLUSIONS**:

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 watercraft that is owned or operated by or rented or loaned to any insured or any "employee" or "volunteer worker".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO POLLUTION EXCLUSION WITH LIMITED EXCEPTIONS – COVERAGE A

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

PROVISIONS

1. The following is added to Paragraph **A.**, **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY**, of **SECTION I – COVERAGES**:

For the purposes of Coverages **A** and **C** of this insurance, "auto pollution cost or expense" will be deemed to be damages because of "property damage" included in the "auto hazard". However, if any "auto pollution cost or expense" is to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants" in or on any person, such cost or expense will instead be deemed to be damages because of "bodily injury" included in the "auto hazard".

2. With respect to **COVERAGE A – EXCESS FOLLOW FORM LIABILITY**, the following exclusion is added to **SECTION IV – EXCLUSIONS**:

Auto Pollution

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

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled or handled for movement into, onto or from a "covered auto";
 - (2) Otherwise in the course of transit by a "covered auto" by or on behalf of any "auto insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon a "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 any "auto 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 any "auto 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 the "bodily injury" or "property damage" is included in the "auto hazard".

Paragraphs **b.** and **c.** above do not apply to accidents that occur away from premises owned by or rented to an "auto insured" with respect to "pollutants" not in or upon a "covered auto" if:

- a. The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a "covered auto"; and
- b. The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

3. The following is added to Paragraph **A.** of **SECTION VI – DEFINITIONS**:

"Auto insured" means any person or organization that qualifies as an insured for the liability insurance afforded under an auto policy of "underlying insurance" that would apply to the "bodily injury" or "property damage" but for the exhaustion of its applicable limits of insurance.

"Auto pollution cost or expense" means any cost or expense arising out of:

- a. Any request, demand, order or statutory or regulatory requirement that any "auto 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

UMBRELLA

- b. 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";
and to which liability insurance afforded under an auto policy of "underlying insurance" would apply

but for the exhaustion of its applicable limits of insurance.

"Covered auto" means any "auto" to which liability insurance afforded under an auto policy of "underlying insurance" would apply but for the exhaustion of its applicable limits of insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INJURY TO VOLUNTEER FIREFIGHTERS EXCLUSION – COVERAGE B

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

The following exclusion is added to Paragraph B. of **SECTION IV –EXCLUSIONS:**

Injury To Volunteer Firefighters

"Bodily injury" or "personal injury" to any volunteer firefighters whether or not they are members of your organization, while in the course of their duties as such.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LAW ENFORCEMENT ACTIVITIES OR OPERATIONS EXCLUSION – COVERAGE B

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

PROVISIONS

1. The following exclusion is added to Paragraph B. of **SECTION IV – EXCLUSIONS:**

Law Enforcement Activities Or Operations

"Bodily injury", "property damage", "personal injury", or "advertising injury" arising out of "law enforcement activities or operations".

This exclusion does not apply to "bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any "auto" caused by an "occurrence" that takes place outside of the United States of America (including its territories and possessions), Puerto Rico and Canada. Use includes operation and "loading or unloading".

If a Professional Health Care And Social Services Exclusion With Limited Exception For Designated Professionals – Designated Professionals – Coverages A And B endorsement is included in this policy, this exclusion does not apply to "bodily injury", "property damage", "personal injury", or "advertising injury" arising out of the providing or failing to provide "described professional health care services" or "professional social services" by any "designated professional" acting within the scope of his or her duties for you as such "designated professional."

2. The following is added to Paragraph B. of **SECTION VI – DEFINITIONS:**

"Law enforcement activities or operations":

a. Means:

- (1) Any of the official activities or operations of your police department or sheriff agency, including any moonlighting, secondary employment or extra-duty assignment approved by such department or agency;
- (2) Any of the official activities or operations of your juvenile detention center;
- (3) Any of the official activities of your probation officers, parole officers, animal control officers or court security officers; or
- (4) Any additional activities or operations that are not covered by any "underlying insurance" because of any exclusion for any law enforcement activities or operations in that "underlying insurance".

b. Includes:

- (1) Ownership, maintenance or use of any premises that you own, rent or borrow in order to conduct such activities or operations, other than a premises that is not normally used for the conduct of such activities or operations;
- (2) Ownership or operation of your jails, penal institutions, detention centers or similar facilities;
- (3) Providing first aid; or
- (4) Providing school security.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD EXCLUSION – COVERAGE B

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

PROVISIONS

The following exclusion is added to Paragraph B. of **SECTION IV – EXCLUSIONS:**

Lead

- a. "Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead compounds or lead which is or was contained or incorporated into any material or substance.
- b. "Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that is part of any claim or "suit" which also alleges any injury

or damage described in Paragraph a. of this exclusion.

- c. Any loss, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any insured or any other person or organization test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, lead, lead compounds or lead which is or was contained or incorporated into any material or substance; or
 - (2) Claim or suit by or for any governmental authority or any other person or organization arising out of the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of, lead, lead compounds or lead which is or was contained or incorporated into any material or substance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLLUTION NOT RELATED TO AUTOS EXCLUSION – PUBLIC ENTITIES OR INDIAN TRIBES – COVERAGE A

This endorsement modifies insurance provided under the following:

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

PROVISIONS

1. The following is added to Paragraph A., **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY**, of **SECTION I – COVERAGES**:

For the purposes of Coverages A and C of this insurance, "limited covered pollution costs" will be deemed to be damages because of "property damage". However, if any "limited covered pollution costs" are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or assess the effects of, "pollutants" in or on any person, such cost or expense will instead be deemed to be damages because of "bodily injury".

For the purposes of Coverage A of this insurance, a governmental ruling or order that has imposed liability for "limited covered pollution costs" will be deemed to be a judgment.

2. With respect to **COVERAGE A – EXCESS FOLLOW FORM LIABILITY**, the following exclusion is added to **SECTION IV – EXCLUSIONS**:

Pollution Not Related To Autos

- a. Damages arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants". However, this Paragraph a. does not apply to:

- (1) "Bodily injury" or "property damage":

(a) To which insurance afforded under any policy of Commercial General Liability "underlying insurance" would apply but for the exhaustion of its applicable limits of insurance; or

(b) Included in the "auto hazard"; or

- (2) "Bodily injury", "property damage" or "personal injury" to which insurance afforded under any policy of Law Enforcement Liability "underlying insurance" would apply but for the exhaustion of its applicable limits of insurance.

The exception in Paragraph (1)(a) of above does not apply to "bodily injury" and "property damage" arising out of the discharge, release or escape of sewage into one or more buildings.

- b. Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or any other person or organization 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 for any governmental authority or any other person or organization arising out of the 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 b. does not apply to:

(1) "Limited covered pollution costs"; or

(2) "Bodily injury" or "property damage" included in the "auto hazard".

3. The following is added to Paragraph A. of **SECTION VI – DEFINITIONS**:

"Limited covered pollution costs":

- a. Means any cost or expense that:

(1) Is to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or assess the effects of, "pollutants"; and

(2) To which insurance afforded under any Commercial General Liability "underlying insurance" issued by us, or any of our affiliated insurance companies, would apply but for the exhaustion of its applicable limits of insurance.

UMBRELLA

b. Does not include any cost or expense that is to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or assess the effects of, sewage that has discharged, released or escaped into one or more buildings

4. The definition of "pollutants" (including the statement in it that waste includes materials to be recycled, reconditioned or reclaimed) in Paragraph B. of **SECTION VI - DEFINITIONS** is deleted from that Paragraph B. and is added to Paragraph A. of **SECTION VI - DEFINITIONS.**

POLICY NUMBER:

ISSUE DATE:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PROFESSIONAL HEALTH CARE SERVICES EXCLUSION
WITH LIMITED EXCEPTION FOR DESIGNATED
PROFESSIONALS – COVERAGES A AND B**

This endorsement modifies insurance provided under the following:
EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

SCHEDULE OF DESIGNATED PROFESSIONALS

PROVISIONS

1. With respect to **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY**, the following exclusions are added to **SECTION IV – EXCLUSIONS**:

Professional Health Care Services Afforded Under Commercial General Liability Underlying Insurance

Damages arising out of providing or failing to provide "professional health care services" to which the insurance afforded under any Commercial General Liability "underlying insurance" would apply but for the exhaustion of its applicable limits of insurance. However, this exclusion does not apply to:

- a. "Bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services";
- b. "Bodily injury", "property damage" or "personal injury" arising out of providing or failing to provide "professional health care services" by any of your "employees" or "volunteer workers" acting within the scope of his or her duties for you as an emergency medical dispatcher or 911 operator; or
- c. "Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of providing or

failing to provide "described professional health care services" by any "designated professional" acting within the scope of his or her duties for you as such "designated professional".

Professional Health Care Services Afforded Under Law Enforcement Liability Underlying Insurance

Damages arising out of the providing or failing to provide "professional health care services" to which the insurance afforded under any Law Enforcement Liability "underlying insurance" would apply but for the exhaustion of its applicable limits of insurance. However, this exclusion does not apply to:

- "Bodily injury", "property damage" or "personal injury" arising out of:
- a. The insured's providing or failing to provide first aid;
 - b. The handling or treatment of corpses by an insured who is not a coroner, medical examiner or pathologist;
 - c. The furnishing or dispensing of drugs, or medical or dental supplies or appliances, by an insured who is not a medical doctor or nurse; or
 - d. Providing or failing to provide "described professional health care services" by any "designated

professional" acting within the scope of his or her duties for you as such "designated professional".

2. The following exclusions are added to Paragraph B. of **SECTION IV – EXCLUSIONS:**

Professional Health Care Services

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of providing or failing to provide "professional health care services". However, this exclusion does not apply:

- a. Unless you are in the business or occupation of providing "professional health care services", to "bodily injury" arising out of providing or failing to provide first aid by:

- (1) Any of your elected or appointed officials, "executive officers" or directors;
- (2) Any members of "your boards"; or
- (3) Any of your "employees" or "volunteer workers";

other than a doctor, nurse, nursing assistant, physician assistant, dental hygienist or assistant, optometrist, emergency medical technician, paramedic, coroner, physical therapist or physical therapy assistant, speech-language pathologist or speech therapy assistant, occupational therapist or occupational therapy assistant, psychologist, counselor, therapist, social worker or other health care professional;

- b. Unless you are in the business or occupation of providing "professional health care services", to "bodily injury" arising out of providing or failing to provide "Good Samaritan services" by:

- (1) Any of your elected or appointed officials, "executive officers" or directors;
- (2) Any members of "your boards"; or
- (3) Any of your "employees" or "volunteer workers";

other than a doctor or nurse;

- c. To "bodily injury", "property damage" or "personal injury" arising out of providing or failing to provide "professional health care services" by any of your "employees" or "volunteer workers", other than a nurse or doctor, acting within the scope of his or her duties for you as an emergency medical dispatcher or 911 operator; or

- d. To "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of providing or failing to provide "described professional health care services" by any "designated professional" acting within the scope of his or her duties for you as such "designated professional".

3. The following is added to Paragraph A. of **SECTION VI – DEFINITIONS:**

"Described professional health care services" means:

- a. Any medical, surgical, dental, laboratory, x-ray or nursing services, treatment, advice or instruction, or the related furnishing of food or beverages;
- b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- c. The handling or treatment of corpses, including for autopsies or organ donations, but not including performing autopsies or performing medical procedures related to organ donations; or
- d. Any psychological or emotional counseling service, treatment, advice or instruction.

"Designated professional" means any of your "employees" or "volunteer workers" who:

- a. Is performing duties for you as a professional shown in the Schedule Of Designated Professionals;
- b. Is not a medical doctor; and
- c. Is not a nurse providing "described professional health care services" at or in connection with a nursing home.

"Professional health care services" includes:

- a. Any medical, surgical, dental, laboratory, x-ray or nursing services, treatment, advice or instruction, or the related furnishing of food or beverages;
- b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- c. The handling or treatment of corpses, including autopsies, organ donations and other postmortem procedures;
- d. Any health or therapeutic service, treatment, advice or instruction;
- e. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair

removal or replacement or personal grooming;

- f. Any psychiatric, psychological or emotional counseling service, treatment, advice or instruction; and
 - g. The service by any person as a member of a formal accreditation, standards review, peer review or equivalent professional board or committee or member of any professional organization or committee.
4. The following is added to Paragraph B. of **SECTION VI – DEFINITIONS:**

"Indian tribe" means a tribe, band, pueblo, village or community of American Indians, or Alaska Natives, that has been recognized as an Indian tribe by the government of:

- a. The United States of America; or

- b. Any state in the United States of America.

"Joint powers authority" means any organization formed by two or more public entities, or by a public entity and one or more "Indian tribes", that have agreed in a contract or agreement to jointly exercise any power common to them.

"Your boards":

- a. Means any board, commission, or other governmental unit or department that:
 - (1) Is under your jurisdiction; and
 - (2) Is funded and operated as part of your total operating budget.
- b. Does not include any "joint powers authority".

Workers'
Compensation

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

GENERAL SECTION

A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

PART ONE

WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance.
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

E. Other Insurance

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. Recovery From Others

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. Statutory Provisions

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law.

Enforcement may be against us or against you and us.

4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
5. This insurance conforms to the parts of the workers compensation law that apply to:
 - a. benefits payable by this insurance;
 - b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
2. For care and loss of services; and
3. For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee; provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and
4. Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. Exclusions

This insurance does not cover:

1. Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. Bodily injury intentionally caused or aggravated by you;
6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or

Canada who is temporarily outside these countries;

7. Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 U.S.C Sections 901 et seq.), the Nonappropriated Fund Instrumentalities Act (5 U.S.C Sections 8171 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C Sections 1331 et seq.), the Defense Base Act (42 U.S.C Sections 1651-1654), the Federal Mine Safety and Health Act (30 U.S.C Sections 801 et seq. and 901-944), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
9. Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 U.S.C Sections 51 et seq.), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;
10. Bodily injury to a master or member of the crew of any vessel, and does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law;
11. Fines or penalties imposed for violation of federal or state law; and
12. Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C Sections 1801 et seq.) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We

have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. Litigation costs taxed against you;
4. Interest on a judgment as required by law until we offer the amount due under this insurance; and
5. Expenses we incur.

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below:

1. **Bodily Injury by Accident.** The limit shown for "bodily injury by accident – each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.
A disease is not bodily injury by accident unless it results directly from bodily injury by accident.
2. **Bodily Injury by Disease.** The limit shown for "bodily injury by disease – policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of

employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease – each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. Actions Against Us

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE OTHER STATES INSURANCE

A. How This Insurance Applies

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.

4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

**PART FOUR
YOUR DUTIES IF INJURY OCCURS**

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

**PART FIVE
PREMIUM**

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by

those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. all your officers and employees engaged in work covered by this policy; and
2. all other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.

2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancellation table and procedure. Final premium will not be less than the minimum premium.

F. Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

**PART SIX
CONDITIONS**

A. Inspection

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they

comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice.
4. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

IN WITNESS WHEREOF, the company has caused this policy to be signed by its President and Secretary at Hartford, Connecticut and countersigned on the Information page by a duly authorized agent of the company.



Secretary



President



**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY**

ENDORSEMENT WC 44 06 01 (00)

POLICY NUMBER:

VERMONT LAW ENDORSEMENT

This endorsement applies only to the insurance provided by Part Two (Employers Liability Insurance) because Vermont is shown in item 3.A of the Information Page.

1. We may not limit our liability to pay damages if a judgment for damages is entered against you and we continue the suit or other action without your consent.
2. No action will lie against us to recover for a loss under this insurance unless it is brought within one year after the amount of loss is made certain either by agreement between the parties with our consent or by actual trial and final judgment. If you are bankrupt or insolvent, anyone who obtains such a judgment or agreement has a right of action against us to recover under the policy to the extent that insurance is provided for the damages or loss.
3. If you pay a judicial judgment or claim for any of our liability under this insurance, that will not bar you from an action or right of action against us.

DATE OF ISSUE: - -

ST ASSIGN:



POLICY NUMBER:

VERMONT CANCELLATION AND NONRENEWAL ENDORSEMENT

This endorsement applies because Vermont is shown in Item 3.A. of the Information Page.

Part Six—Conditions, Section D. (Cancellation) of the policy is replaced by the following:

D. Cancellation and Nonrenewal

1. You may cancel this policy. You will mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We must provide to you by certified mail, and file with the Commissioner of Labor (Commissioner) or their designee as provided by Vt. Admin. Code 13-4-1:24.0000, at least 45 days' advance written notice stating when the cancellation is to take effect. Mailing notice by certified mail to you at your mailing address last known to us will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice.
4. We may elect not to renew the policy. We must provide to you by certified mail, and give notice to the Commissioner or their designee as provided by Vt. Admin. Code 13-4-1:24.0000, at least 45 days' advance written notice stating when the nonrenewal is to take effect. If we do not give 45 days' notice, the policy will automatically be extended for 45 days from the date the notice is received by you and the Commissioner.
5. In the following circumstances, notice of nonrenewal to you is not required, and the policy will expire upon notice to the Commissioner or their designee as provided by Vt. Admin. Code 13-4-1:24.0000:
 - a. We offer to continue the insurance by delivery of a renewal contract to you, or
 - b. You notify us in writing that you do not want to renew the policy, or
 - c. You obtain other insurance or a guarantee contract, or you establish and maintain, to the satisfaction of the Commissioner, security for compensation.
6. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective	Policy No.	Endorsement No.
Insured		Premium \$
Insurance Company	Countersigned by _____	

DATE OF ISSUE:

ST ASSIGN:

Page 1 of 1

