



*This school insurance policy
has been prepared for:*

FREEHOLD REGIONAL BOARD OF EDUCATION

11 PINE ST
ENGLISH TOWN, NJ 07726

*Presented by the Utica National
companies and your independent agent:*

Usi Ins Services LLC
180 Park Ave, Suite 102
Florham Park, NJ 07932
973-315-0400

08-18-2021

FREEHOLD REGIONAL BOARD OF EDUCATION

11 PINE ST
ENGLISH TOWN, NJ 07726

Dear Policyholder,

Thank you for choosing Utica National Insurance Group for your insurance needs. We understand that you have many choices and appreciate the trust you and your independent insurance agent have placed in us to help provide security and protection for your business.

Your policy and related documents are enclosed. Please read them carefully. If you have any questions, please contact your agent.

Thank you for your business. We will continue to work with your agent to provide you experiences that make you feel appreciated and respected with every interaction you have, whether that is online, on the phone or in person. We are here for you in all ways.

Sincerely,



Richard Creedon, Esq.
Chairman of the Board and Chief Executive Officer



Utica Mutual Insurance Company and its affiliated companies, New Hartford, NY 13413
www.uticanational.com • 1.800.274.1914  



Important Contact and Policy Management Information

We appreciate your business and want to make sure we are there when you need us. Here is important contact information you'll want to keep readily available.

➤ **REPORT CLAIMS IMMEDIATELY BY CALLING: 1-800-216-1420** **We are here to take your claim 24/7/365.**

For all claims-related correspondence, please send to:

Email: claimsnewreporx@xxxxxxxxxxxxxx.xxor

Fax: 1-888-538-2018

Mail: Utica National Insurance Group Claims, P.O. Box 5310, Binghamton, NY 13902-9955

➤ **PAYMENTS TO UTICA NATIONAL**

Questions: 1-800-598-8422

Pay online via uticanational.com/customer care

Mobile app: Download the Mobile AdvantEDGE app at uticanational.com/mobileapp and make a payment from your cell phone

Xpress Pay: Make a one-time online payment

Pay over the phone: 1-800-598-8422 (\$10 charge applies)

Via U.S. mail: Utica National Insurance Group
Credit & Collections Dept.
P.O. Box 6532
Utica, NY 13504-6532

➤ **SAFETY SERVICES**

Safety advice: 1-800-274-1914 extension 2442

Boiler inspection: 1-866-594-1257

Website resources: www.uticanational.com/SafetySolutions

Access to safety and compliance videos and courses:

Sign into: uticanational.com/Safety_Solutions

➤ **QUESTIONS OR COVERAGE CHANGES**

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Utica National Insurance Group
Insurance that starts with you.®

Utica Mutual Insurance Company and its affiliated companies, New Hartford, NY 13413
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REPUBLIC FRANKLIN INSURANCE CO.
180 GENESEE STREET
NEW HARTFORD, NY 13413

U0114
USI INS SERVICES LLC
180 PARK AVE, SUITE 102
FLORHAM PARK, NJ 07932
(973)315-0400

POLICY NUMBER: CPP 5175035

NAMED INSURED: FREEHOLD REGIONAL BOARD OF EDUCATION

ADDRESS: 11 PINE ST
ENGLISHTOWN, NJ 07726

BUSINESS DESCRIPTION: KINDERGARTEN - HIGH SCHOOL PUBLIC

POLICY PERIOD: FROM 08-01-2021 TO 08-01-2022 12:01 A.M. Standard Time at your address shown above.

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

COMMERCIAL PACKAGE POLICY - COMMON POLICY DECLARATIONS

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

		PREMIUM
Commercial Property Coverage Part	\$	186,588.00
Commercial General Liability Coverage Part	\$	254,259.00
Commercial Inland Marine Coverage Part	\$	10,716.00
Commercial Crime Coverage Part	\$	15,071.00
TOTAL	\$	466,634.00

Authorized Representative

CPP 01 5175035

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

8-D-CL Ed. 06-92

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08-17-2021

SUPPLEMENTAL DECLARATIONS

Named Insured: FREEHOLD REGIONAL BOARD OF EDUCATION

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:

Commercial Property

Form Number	Edition date	Title
8DCL	0692	Commercial Package Policy - Common Policy Declarations
8DCP	0192	Commercial Property Coverage Part – Declarations
8S1023	0192	Blanket - Schedule Of Premises
8S3514	0717	Earthquake-Volcanic Eruption Schedule
8S3515	0717	Flood Schedule
CP0010	1012	Building And Personal Property Coverage Form
CP0030	1012	Business Income (And Extra Expense) Coverage Form
CP0090	0788	Commercial Property Conditions
CP0405	0917	Ordinance Or Law Coverage
CP0407	1091	Pollutant Clean Up And Removal Additional Aggregate Limit Of Insurance
CP0415	1012	Debris Removal Additional Insurance
CP0417	1012	Utility Services - Direct Damage
CP1030	0917	Causes Of Loss - Special Form
CP1045	1012	Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form)
CP1065	1012	Flood Coverage Endorsement
CP1545	0917	Utility Services - Time Element
8E1613	0489	Policy Changes/Extension Schedule
8E1791	0692	Policy Amendment
8E1846	0392	Schools - Limited Water Damage Coverage
8E1990	0793	Combined Deductible Form
8E2637	0717	Equipment Breakdown Coverage
8E2696	0717	Spoilage Coverage (Supplements Equipment Breakdown Coverage)
8E3633	0721	Crisis Event Expense Coverage
8E3678	0109	Earthquake And Volcanic Eruption Deductible Changes
8E3797	0620	Limited Backup of Sewers or Drains Coverage
8E4263	0720	Theft Of Building Material And Supplies - Newly Constructed Buildings
8E4278	0320	Cyber Incident Exclusion
CP0140	0706	Exclusion Of Loss Due To Virus Or Bacteria

Commercial Inland Marine

Form Number	Edition Date	Title
8DCIM	0192	Commercial Inland Marine Coverage Part - Declarations
CM0001	0904	Commercial Inland Marine Conditions
CM0020	0113	Commercial Articles Coverage Form

CM0028	0113	Signs Coverage Form
CM0066	0113	Accounts Receivable Coverage Form
CM0067	0113	Valuable Papers And Records Coverage Form
8C1700	0305	Data Processing Coverage Form
8E1286	0188	Miscellaneous Property Floater Coverage
8E1461	0186	Fine Arts Floater Coverage Form
8E2794	0305	Mechanical And Electrical Breakdown Redefined
CM6702	0900	Libraries
8E1462	0186	Fine Arts Floater Coverage Breakage
8E1590	1093	Loss Payable Provisions
8E1613	0489	Policy Changes/Extension Schedule
8E1921	0900	Fine Arts Valuation
8E2066	0717	Earth Movement Exclusion
8E3845	0713	Earth Movement Amendatory Endorsement

Commercial General Liability

Form Number	Edition Date	Title
8E3633	0721	Crisis Event Expense Coverage
8DCG	0799	Commercial General Liability Coverage Part Declarations
8D1014	0904	Employee Benefit Programs Liability Coverage Part Declarations
8D2636	0909	Employment-Related Practices Liability Insurance Declarations(Claims-Made Basis)
8DCGS	0192	Commercial General Liability Supplemental Declarations
8D1213	0702	School District And Educators Legal Liability
8D1848	0999	Abuse Or Molestation Coverage Declarations
8D4117	0717	Cyber Suite Declarations
8S1017	0990	Supplemental Declarations
CG0001	0413	Commercial General Liability Coverage Form
8C1014	0904	Employee Benefit Programs Liability Coverage Form
8C1213	0104	School District And Educators Legal Liability Coverage Form
8C1848	1101	Abuse Or Molestation Liability Coverage Form
8C2636	0798	Employment Related Practices Liability Coverage Form
8C4117	0717	Cyber Suite Coverage Form
8E4271	0320	Amendment Of Wrongful Act Definition
8E4273	0320	Amendment Of Employment-Related Practices Definition
CG2001	0413	Primary And Noncontributory - Other Insurance Condition
CG2426	0413	Amendment Of Insured Contract Definition
CG2504	0509	Designated Location(S) General Aggregate Limit
CG2106	0514	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception
CG2111	0615	Exclusion - Unmanned Aircraft (Coverage B Only)
CG2147	1207	Employment-Related Practices Exclusion
CG2151	0413	Amendment Of Liquor Liability Exclusion - Exception For Scheduled Premises Or Activities
CG2160	0998	Exclusion - Year 2000 Computer-Related And Other Electronic Problems
CG2167	1204	Fungi Or Bacteria Exclusion
CG2170	0115	Cap On Losses From Certified Acts Of Terrorism
8E1657	0820	School District And Educators Legal Liability Additional Defense Coverage Endorsement
8E1694	0592	Cancellation or Nonrenewal Changes

8E1696	0792	Knowledge Of Occurrence, Claim Or Suit
8E1717	0792	Notice Of Occurrence, Claim, Or Suit
8E1718	0990	Unintentional Failure To Disclose Hazards
8E1979	0408	Limited Pollution Coverage Extension
8E2406	0798	Additional Insured - Educational Institutions
8E2762	0798	New Jersey Employment Related Practices Coverage Changes - Loss Information
8E3042	0720	Educational Institution Coverage Endorsement
8E3149	0511	Extended Reporting Period For Limited Employment-Related Practices Coverage
8E3553	0109	Limited Coverage For Spouses And Domestic Partners
8E3576	0414	Good Samaritan Coverage
8E3676	1208	Law Enforcement And Security Officers Endorsement
8E3708	0809	Liability To Volunteers
8E3786	0714	Amendatory Endorsement - Changes To The School District And Educators Legal Liability Coverage Form
8E3857	0714	Knowledge Of Wrongful Act, Claim Or Suit
8E4105	0717	Who Is An Insured - Changes
8E4182	0720	Your Investigation and Public Relations Expenses
8E4174	0718	Educational Institutions Limited Unmanned Aircraft Coverage
8E2370	0500	Abuse Or Molestation Exclusion
8E3202	0102	Asbestos Exclusion
8E3204	0104	Employment - Related Practices Exclusion
8E3350	1201	Exclusion - Fungi Or Bacteria
8E3498	0104	Abuse Or Molestation Exclusion
8E3502	0104	Exclusion - Silica Liability Hazards
8E3674	0509	Exclusion - Recording And Distribution Of Material Or Information In Violation Of Law
CG2620	1093	New Jersey Changes-Loss Information
8L2495	0717	Claims Made Disclosure Notice Addendum

Commercial Crime

Form Number	Edition Date	Title
8DCR03	0717	Government Crime Declaration Page
CR0025	1115	Government Crime Coverage Form (Loss Sustained Form)
CR2013	1010	Non-Binding Arbitration
CR2512	1010	Include Treasurers Or Tax Collectors As Employees
CR2513	1010	Include Students As Employees
CR2519	0813	Add Faithful Performance Of Duty Coverage For Government Employees
CR2532	1010	Provide Employee Theft Coverage Excess Over A Statutory Bond Requirement
8E1613	0489	Policy Changes/Extension Schedule
8E1917	0193	Terminal Access Card Coverage
CR0213	0807	New Jersey Changes
CR0255	0807	Change In Control Of The Insured - Notice To The Company - New Jersey

Interline

Form Number	Edition Date	Title
5R1168	0617	Safe Schools Training

8E26801	1219	Head Of The Class Uni-Flex (Commercial Property)
8E26802	0719	Head Of The Class Uni-Flex Endorsement (Commercial Inland Marine)
8E26803	0719	Head Of The Class Uni-Flex Endorsement (Commercial Crime)
8E1143	0186	Radio And Television Tower And Equipment Coverage Form
IL0021	0908	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
IL0003	0908	Calculation Of Premium
IL0017	1198	Common Policy Conditions
IL0208	0907	New Jersey Changes - Cancellation And NonRenewal
IL0935	0702	Exclusion Of Certain Computer-Related Losses
IL0952	0115	Cap On Losses From Certified Acts Of Terrorism
IL0985	0115	Disclosure Pursuant To Terrorism Risk Insurance Act
IL0111	1103	New Jersey Changes
IL0141	0908	New Jersey Changes - Civil Union
8L2180	0121	Important Notice About Your Policy And The Federal Terrorism Reinsurance Reauthorization Act Of 2019
8L936	1108	Membership And Voting Notice (Republic-Franklin Insurance Company)
8L1246	0515	New Jersey Guaranty Association Assessment Fee
8L1873	1216	New Jersey Earthquake Insurance Availability Notice

**Not required if included at policy inception.

HEAD OF THE CLASS UNI-FLEX ENDORSEMENT

This Endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

If there is other valid and collectible insurance available to you in other coverage purchased under this policy for any loss, damage or "loss" we also cover under this endorsement, the insurance provided under this endorsement is primary.

- I. In the event of an occurrence which results in loss, damage or "loss" for which this policy includes coverage under a Coverage Enhancement and an additional separately purchased limit for the same coverage with a deductible, we will pay for loss, damage or "loss" based on the method which results in the higher total payment to you:
 1. We will apply each deductible to the loss, damage or "loss" for the coverage to which it applies; or
 2. We will add the amount of loss, damage or "loss" from all involved coverages and subtract from the total the larger or largest applicable deductible.
- II. The following is a summary of the additional coverages, including Limits of Insurance, provided by this endorsement. For complete details on specific coverages, consult the applicable forms. The Schedule below shows the deductible amounts, if any, applying to the Coverage Enhancements. The Deductible amount stated in the Schedule below replaces the Deductible amount shown in the Declarations as respects such enhancement. The Deductible provision and the Additional Condition, Coinsurance, contained within the Coverage Forms applicable to this endorsement, do not apply to those enhancements for which Nil is shown under Deductible or Coinsurance in the Schedule below.

SCHEDULE

Premium:

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

Enhancement No.	Coverage	Limit of Insurance	Coinsurance	Deductible	Covered Causes of Loss	Applicable Coverage Forms
1.	Business Income and Extra Expense (Option 1)	Actual Loss Sustained - 24 Consecutive Months	Nil	Per Coverage Form	Special Form	CP 00 30
2.	Utility Services-Time Element	\$500,000 Per Building	Nil	Per Coverage Form	Special Form	CP 15 45 and CP 00 30

Enhancement No.	Coverage	Limit of Insurance	Coinsurance	Deductible	Covered Causes of Loss	Applicable Coverage Forms
3.	Fire Dept. Service Charge	\$5,000 Per Location	Nil	Nil	Per Coverage Form	CP 00 10
4.	Lock Replacement	\$25,000 Per Occurrence	Nil	Nil	See Coverage Wording	CP 00 10
5.	Fire Protection Device Recharge	\$1,000 Per Location Per Covered Fire	Nil	Nil	Fire	CP 00 10
6.	Arson, Vandalism or Theft Reward	Up to a Maximum of \$7,500 For Each Covered Loss	Nil	Nil	Per Coverage Form	CP 00 10
7.	Inflation Protection	10% of Building Value	Nil	Nil	Special Form	CP 00 10
8.	Underground Pipes, Flues and Drains	\$10,000 Per Occurrence	Nil	Per Commercial Property Declarations Page	Special Form	CP 00 10
9.	Tree Debris Removal	\$5,000 Per Occurrence	Nil	\$1,000	Special Form	CP 00 10
10.	Newly Acquired or Constructed Property					
	Buildings	\$1,000,000 Per Building	Nil	Per Commercial Property Declarations Page	Special Form	CP 00 10
	Business Personal Property at Newly Acquired Locations	\$500,000 Per Building	Nil	Per Commercial Property Declarations Page	Special Form	CP 00 10

Enhancement No.	Coverage	Limit of Insurance	Coinsurance	Deductible	Covered Causes of Loss	Applicable Coverage Forms
11.	Personal Effects and Property of Others	\$10,000 Limit Each Described Premises. \$2,500 Limit Per Person	Nil	Per Commercial Property Declarations Page	Special Form	CP 00 10
12.	Property Off Premises	\$100,000 Total Limit	Nil	Per Commercial Property Declarations Page	Special Form	CP 00 10
13.	Outdoor Property	\$25,000 Total Limit. \$10,000 Limit For Fences.	Nil	Per Commercial Property Declarations Page	See Coverage Wording	CP 00 10
14.	Property In or On a Vehicle	\$10,000 Per Occurrence	Nil	\$500	Special Form	CP 00 10
15.	Appurtenant Structures	\$5,000 Blanket all Locations	Nil	Nil	Special Form	CP 00 10
16.	Property in Transit	\$100,000 Total Limit	Nil	Per Commercial Property Declarations Page	See Coverage Wording	CP 00 10
17.	Your Business Personal Property within 1,000 feet of the described premises	Per Commercial Property Declarations Page	Per Commercial Property Declarations Page	Per Commercial Property Declarations Page	Special Form	CP 00 10
18.	Foundations	Per Business Personal Property	Per Commercial Property Declarations Page	Per Commercial Property Declarations Page	Special Form	CP 00 10

Enhancement No.	Coverage	Limit of Insurance	Coinsurance	Deductible	Covered Causes of Loss	Applicable Coverage Forms
19.	Debris Removal	\$250,000 Per Occurrence	Nil	Per Commercial Property Declarations Page	Special Form	CP 04 15 and CP 00 10
20.	Utility Services Direct Damage	\$50,000 Per Occurrence	Per Commercial Property Declarations Page	Per Commercial Property Declarations Page	Special Form	CP 04 17 and CP 00 10
21.	Pollutant Clean-Up and Removal	\$90,000 For All Covered Expenses	Nil	Nil	Per Coverage Form	CP 04 07 and CP 00 10
22.	Spoilage	\$25,000 Per Occurrence	Nil	\$500	See Coverage Wording	CP 00 10 and CP 04 40 or 8-E-2696 *
23.	Ordinance or Law Coverage **	Per Commercial Property Declarations Page **	Per Commercial Property Declarations Page	Per Commercial Property Declarations Page	Per Coverage Form	CP 04 05 and CP 00 10

* 8-E-2696 applies to those policies that include endorsement 8-E-2637 (Equipment Breakdown Coverage).

** See Enhancement wording.

COVERAGE ENHANCEMENTS

III. The following changes apply to the Commercial Property Coverage Part:

Enhancement No. 1

The **Business Income (And Extra Expense) Coverage Form** is added, subject to the following:

- A.** Business Income includes tuition, fees, and other income from educational services and related activities, including:
 - (1) Laboratory fees;
 - (2) Bookstores;
 - (3) Athletic events; and
 - (4) Research grants.
- B.** Under the **Additional Coverages** in Section **A. - Coverage**, the reference in **Alterations And New Buildings** to the distance between the described premises and machinery, equipment,

supplies or building materials is revised to 1,000 feet.

- C.** Under the **Additional Coverages** in Section **A. - Coverage**, **Extended Business Income** is replaced by the following:

Extended Business Income

If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you sustain during the school term following the date the property is actually repaired, rebuilt or replaced, if that date is 30 days or less before the scheduled opening of the next school term.

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

- D. The **Coverage Extension for Newly Acquired Locations** applies without requirement of a minimum Coinsurance percentage to be shown in the Declarations.
- E. Section **C. Limits Of Insurance** is replaced by the following:
The most we will pay for all loss of Business Income or Extra Expense is the loss of Business Income and Extra Expense that occurs within 24 consecutive months after the date of direct physical loss or damage.
- F. The **Additional Condition Coinsurance** does not apply to the Business Income (And Extra Expense) coverage provided by this endorsement. If there is other Business Income (And Extra Expense) coverage available to you, the portion of any loss, damage or "loss" which exceeds the amount of Business Income (And Extra Expense) coverage provided by this endorsement will be settled in accordance with the terms of that coverage.
The **Optional Coverages** under **Section - F.** do not apply.

Enhancement No. 2

The Utility Services - Time Element endorsement is added to the Business Income (And Extra Expense) Coverage Form.

With respect to this enhancement, loss includes Business Income and Extra Expense caused by the interruption of service to premises described in the Declarations resulting from direct physical loss or damage by a Covered Cause of Loss to: Water Supply Services; Wastewater Removal Services; Communication Supply Services, including overhead transmission lines; or Power Supply Services, including overhead transmission lines; as defined in CP 15 45 if such services are located outside of a covered building described in the Declarations. Covered Causes of Loss for this enhancement shall not include flood, earthquake or volcanic eruption.

The Business Income Waiting Period for this enhancement is 72 hours.

- IV. The following changes apply to **Additional Coverages** under Section **A. - Coverage** of the Building and Personal Property Coverage Form:

Enhancement No. 3

The most we will pay under **Fire Department Service Charge** is revised to \$5,000.

Enhancement No. 4

The following is added under **Additional Coverages**:

Lock Replacement

We will pay the necessary expense incurred to replace locks or lock cylinders after a covered theft of:

(a) property from; or

(b) keys to;

any building or structure described in the Declarations. The following conditions apply:

- (1) The limit is \$25,000 on all locks and lock cylinders for each loss.
- (2) You must notify us and the appropriate police authority of the theft.
- (3) Locks or lock cylinders must be replaced within 72 hours of the theft.
- (4) Coverage applies if Business Personal Property is lost by covered theft from any building or structure described in the Declarations even if the keys are not known to be missing or copied.
- (5) Coverage applies to disappearance of keys only if other property is stolen or missing.
- (6) Keys entrusted to a custodian are not considered stolen.
- (7) We do not cover locks or lock cylinders for any motor vehicle, motorized land vehicle, or any other property, building, structure, room, or vault which is not part of any building or structure described in the Declarations.

Enhancement No. 5

The following is added under **Additional Coverages**:

Fire Protection Device Recharge

We will pay up to \$1,000 after any covered fire to recharge or refill your fire protection devices that are installed in buildings at the described premises.

This Additional Coverage only applies when such devices have been discharged while being used to combat a covered fire.

Enhancement No. 6

The following is added under **Additional Coverages**:

Arson, Theft or Vandalism Reward

We will pay a reward for information which leads to an arson, theft or vandalism conviction in connection with a loss covered under this policy. We will base the amount of our reward payment on the value of the information obtained. Our maximum payment for rewards under this Additional Coverage will be \$7,500 for each covered loss, regardless of the number of persons who provide information.

Enhancement No. 7

The following is added under **Additional Coverages**:

Inflation Protection

For a covered loss involving a covered Building, we will pay up to an additional ten percent of the value of that building for loss or damage to that building in any one occurrence, provided:

- (1) The building is actually repaired or replaced:
 - (a) For use as the same occupancy; and
 - (b) The repaired or replaced building is of like height, floor area and style;
- (2) Repair or replacement is completed within three years of the date of direct physical loss or damage; and
- (3) The building is listed on a Statement of Values on file with us and such Statement of Values declares a specific value for the building.

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

The Coinsurance Additional Condition does not apply to this Additional Coverage.

Enhancement No. 8

The following is added under **Additional Coverages**:

Underground Pipes, Flues and Drains

Only as respects this Additional Coverage, underground pipes, flues or drains within 100 feet of Buildings are considered covered Building property.

The most we will pay for loss or damage or "loss" under this Additional Coverage is \$10,000 per occurrence.

Payment under this Additional Coverage will not increase the applicable Limits of Insurance.

Enhancement No. 9

The following is added to under **Additional Coverages**:

Tree Debris Removal

We will pay your necessary expenses incurred for the removal of fallen trees at the premises described in the Declarations caused by a Covered Cause of Loss.

The most we will pay for tree debris removal is \$5,000 per occurrence.

Payment under this Additional Coverage will not increase the applicable Limits of Insurance.

Except for the enhancements for **Lock Replacement, Underground Pipes Flues and Drains, and Tree Debris Removal**, the limits applicable to enhancements 3 through 9 are in addition to other applicable Limits of Insurance.

- V. The following changes apply to **Coverage Extensions** under Section A. - **Coverage** of the Building and Personal Property Coverage Form:

Enhancement No. 10

Under **Newly Acquired Or Constructed Property**:

- (1) The most we will pay for **Buildings** is revised to \$1,000,000 at each building;
- (2) The most we will pay for **Your Business Personal Property** is revised to \$500,000 at each building;
- (3) With respect to the insurance under this Extension for each newly acquired or constructed property, the provision that addresses the number of days that must expire after you acquire or begin to construct the property is revised to 180 days.

Enhancement No. 11

The most we will pay under **Personal Effects And Property Of Others** is revised to \$10,000 at each described premises with a \$2,500 limit per person.

Enhancement No. 12

The most we will pay for **Property Off-Premises** is revised to \$100,000.

If insurance for Covered Property at any fair, trade show or exhibition is not included in the Coverage Extension for **Property Off Premises** in the Building and Personal Property Coverage Form to which this endorsement applies, insurance for such Covered Property shall be added as part of this enhancement.

Enhancement No. 13

The following replaces **Outdoor Property:**
Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, trees, shrubs, and plants (other than trees, shrubs, or plants which are "stock" or are part of a vegetated roof), including debris removal expense.

The Covered Causes of Loss provided by the Causes of Loss Form applicable to this Coverage Part apply to loss or damage to outdoor fences. Loss or damage to trees, shrubs, and plants must be caused by or result from any of the following causes of loss if they are Covered Causes of Loss:

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

The most we will pay for loss or damage under this Extension is \$25,000, but not more than \$10,000 for fences.

These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Enhancement No. 14

The following is added under **Coverage Extensions:**

Property In Or On A Vehicle

You may extend the insurance provided by this Coverage Form to apply to your Covered Property while in or on a vehicle not located within 1,000 feet of the described premises.

This Extension does not apply to your salespersons samples. We will pay for shipments by mail only if registered.

This Extension also applies to your interest in shipments sold Free on Board. When the title of a shipment passes to the consignee and if the consignee refuses to pay because the shipment is lost or damaged, you may elect to claim that loss under this insurance. We will not attempt to collect from the consignee unless you:

- (1) Provide us with your written consent to do so; and
- (2) Assign us your right of action.

The most we will pay for loss or damage under this Coverage Extension is \$10,000 per occurrence.

As respects the insurance provided by this Coverage Extension, a \$500 deductible replaces the deductible shown in the Commercial Property Declarations.

Enhancement No. 15

The following is added under **Coverage Extensions:**

Appurtenant Structures

You may extend the insurance that applies to Building to apply to appurtenant structures, on or within 100 feet of the described premises, used by you in connection with the described premises, and not covered by other insurance. The most we will pay for loss or damage under this Extension is \$5,000.

Enhancement No. 16

The following is added under **Coverage Extensions:**

Property in Transit

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.

(2) Vehicle collision, upset, or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.

(3) Theft by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

c. The most we will pay for loss, damage or "loss" under this Extension is \$100,000.

The Additional Condition Coinsurance does not apply to this Extension.

This Extension replaces any other Additional Coverage Extension-Property in Transit in this Coverage Part.

The limits applicable to enhancements 10 through 16 are in addition to other applicable Limits of Insurance.

VI. The following changes apply to the Building and Personal Property Coverage Form:

Enhancement No. 17

Under Section A. - **Coverage** the reference in **Your Business Personal Property** to the distance between the described premises and property in the open (or in a vehicle) is revised to 1,000 feet.

Enhancement No. 18

Under Section A. - **Coverage**, Furniture and fixtures in **Your Business Personal Property** is replaced by: Furniture, fixtures, machinery, equipment and tanks;

Machinery and equipment is replaced by: Foundations for any fixtures, machinery, equipment or tanks or connections for tanks, if such foundations, tanks, or tank connections are below the lowest basement floor, or the surface of the ground if there is no basement;

The provision for Foundations of buildings, structures, machinery or boilers under Property Not Covered is replaced by:

Foundations of buildings, structures other than tanks, or boilers; if their foundations are below:

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

Enhancement No. 19

Additional Debris Removal

The **Debris Removal Additional Insurance** endorsement **CP 04 15** is added to the Building and Personal Property Coverage Form. With respect to this enhancement, the Schedule of the **Debris Removal Additional Insurance** endorsement **CP 04 15** shall show an amount of \$250,000. This limit applies to each location in any one occurrence.

Enhancement No. 20

The **Utility Services - Direct Damage** endorsement is added to the Building and Personal Property Coverage Form.

With respect to this enhancement, Covered Property at the premises described in the Schedule of CP 04 17 shall include all Covered Property at premises described in the Declarations of this Coverage Part.

The interruption must result from direct physical loss or damage that is caused by a Covered Cause of Loss to: Water Supply Services; Communication Supply Services, including overhead transmission lines; or Power Supply Services, including overhead transmission lines; as defined in CP 04 17 and such services must not be located on any premises described in the Declarations.

Covered Causes of Loss for this enhancement shall not include flood, earthquake or volcanic eruption.

The \$50,000 Limit of Insurance for this enhancement is within, and does not increase the Limit of Insurance stated in the Declarations as applicable to Covered Property.

Enhancement No. 21

The **Pollutant Clean Up And Removal Additional Aggregate Limit Of Insurance** endorsement is added to the Building and Personal Property Coverage Form.

With respect to this enhancement, the Schedule of the Pollutant Clean Up And Removal Additional Aggregate Limit Of Insurance endorsement shall show a \$90,000 Additional Aggregate Limit of Insurance and a Deductible of \$0.

Enhancement No. 22

The **Spoilage Coverage** endorsement is added to the Building and Personal Property Coverage Form.

With respect to this enhancement, if CP 04 40 is attached, any premises shown in the Declarations as Covered Property will be considered as listed in the Schedule of such Spoilage Coverage endorsement. The Schedule shall also show an "x" under Breakdown or Contamination, Power Outage and Selling Price.

If 8-E-2696 is attached, any premises shown in the Declarations as Covered Property will be considered as listed in the Schedule of such Spoilage Coverage endorsement.

The Limit of Insurance and Deductible shown in the Schedule of this Uniflex Endorsement for Spoilage coverage will be the applicable limit and deductible for this coverage.

Enhancement No. 23

Ordinance Or Law Coverage is added to the Building and Personal Property Coverage Form.

Ordinance or Law Coverage only applies to Building property for those locations for which Building Coverage is shown in the Declarations.

If the property so affected is covered under a blanket Limit of Insurance that applies to more than one building or item of property, then the most we will pay under **Coverage A - Coverage For Loss to the Undamaged Portion Of The Building** for that property is:

- (1) The value stated for the affected property in the Statement of Values; or
- (2) The value of the affected property at the time of loss if there is no Statement of Values.

Coverage A is included within the Limit of Insurance shown in the Commercial Property Declarations.

The limit for **Coverage B - Demolition Cost Coverage** is \$1,000,000 per building and the limit for **Coverage C - Increased Cost of Construction Coverage** is \$1,000,000 per building, unless a higher limit is shown in the Ordinance or Law Coverage Schedule **8-E-4090** or in the Declarations.

The Post-Loss Ordinance Or Law Option is not applicable for this enhancement.

Effective Date:**2021-08-01
(12:01 A.M. Standard Time)

**Not required if included at policy inception.

HEAD OF THE CLASS UNI-FLEX ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

This endorsement must be used with endorsements 8-E-2680-1 and 8-E-2680-3.

If there is other valid and collectible insurance available to you in other coverage purchased under this policy for any loss, damage or "loss" we also cover under this endorsement, the insurance provided under this endorsement is primary.

The enhancement for **Fine Arts** does not apply with respect to any item for which specific coverage is provided by any policy other than the Commercial Package Policy to which this endorsement is attached.

- I. In the event of an occurrence which results in loss, damage or "loss" for which this policy includes coverage under a Coverage Enhancement and an additional separately purchased limit for the same coverage with a deductible, we will pay for loss, damage, or "loss" based on the method below which results in the higher total payment to you:
 1. We will apply each deductible to the loss, damage or "loss" for the coverage to which it applies; or
 2. We will add the amount of loss, damage or "loss" from all involved coverages and subtract from the total the larger or largest applicable deductible.
- II. The following is a summary of the additional coverages, including limits of insurance, provided by this endorsement. For complete details on specific coverages, consult the applicable forms. The Deductible amount stated in the Schedule below replaces the Deductible amount shown in the Declarations as respects such enhancement. Any Coinsurance Additional Condition does not apply to those enhancements for which Nil is shown under Coinsurance in the Schedule below.

SCHEDULE

Premium:

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

Enhancement No.	Coverage	Limit of Insurance	Coinsurance	Deductible	Covered Causes of Loss	Applicable Coverage Forms
1.	Valuable Papers and Records	\$100,000 Per Building	Nil	\$500	Per Coverage Forms	CM 00 67 and CM 00 01

Enhancement No.	Coverage	Limit of Insurance	Coinsurance	Deductible	Covered Causes of Loss	Applicable Coverage Forms
2.	Signs	\$30,000 Per Location	Nil	\$500	Per Coverage Forms	CM 00 28 and CM 00 01
3.	Accounts Receivable	\$50,000 Per Location	Nil	Nil	Per Coverage Forms	CM 00 66 and CM 00 01
4.	Fine Arts	\$15,000 Total Limit. \$2,500 Limit Any One Item	Nil	\$500	Per Coverage Forms	8-E-1461, 8-E-1462, 8-E-1921 and CM 00 01
5.	Musical Instruments and related equipment and accessories	\$500,000 Per Occurrence	Nil	\$500	Per Coverage Forms	CM 00 20 and CM 00 01
6.	Cameras, Projection Machines, Films and related Equipment and Accessories	\$50,000 Per Occurrence	Nil	\$500	Per Coverage Forms	CM 00 20 and CM 00 01
7.	Miscellaneous School Equipment not Scheduled elsewhere under the Commercial Inland Marine Coverage Part	\$500,000 Per Occurrence	Nil	\$500	Per Coverage Forms	8-E-1286 and CM 00 01
8.	Leased Property	\$100,000 Per Occurrence	Nil	\$500	Per Coverage Forms	8-E-1286 and CM 00 01
9.	Class C Property	\$10,000 Per Location	Nil	\$500	Per Coverage Forms	8-E-1143 and CM 00 01

Enhancement No.	Coverage	Limit of Insurance	Coinsurance	Deductible	Covered Causes of Loss	Applicable Coverage Forms
10.	Data Processing Coverage*					
	Data Processing Equipment	\$100,000 Per Building **	Nil	\$500	Per Coverage Form	8-C-1700
	Data and Media	\$10,000 Per Building	Nil	\$500	Per Coverage Form	8-C-1700
	Extra Expense	\$10,000 Per Building	Nil	Nil	Per Coverage Form	8-C-1700

* A waiting period may apply for Business Income Coverage, if purchased. A \$500 deductible applies to Breakdown Coverage unless otherwise stated on the Data Processing Declarations, 8-D-1700.

** Valuation of equipment is based on replacement cost, unless higher limits are purchased and shown on 8-D-1700 and a different valuation option is chosen. In which case, such different option also applies to the coverage granted in this form.

COVERAGE ENHANCEMENTS

III. The following changes apply to the **Signs Coverage Form**:

Enhancement No. 2

A. The **Additional Condition Coinsurance** does not apply to the \$30,000 limit of Signs Coverage provided by this endorsement. If there is other Signs Coverage available to you, the portion of any loss, damage or "loss" which exceeds this endorsement's \$30,000 Signs Coverage limit will be settled in accordance with the terms of that coverage.

B. Only with respect to this Signs Coverage enhancement, or any additional Signs Coverage purchased in conjunction with it, the **General Condition Valuation** of the Commercial Inland Marine Conditions is replaced by the following:

VALUATION

The value of property will be the lesser of the following amounts:

1. The cost of reasonably restoring that property to its condition immediately before the loss, damage or "loss"; or

2. The cost of replacing that property with substantially identical property.

In the event of loss, damage or "loss," the value of property will be determined as of the time of loss, damage or "loss."

IV. The following change applies to the **Accounts Receivable Coverage Form**:

Enhancement No. 3

The **Additional Condition Coinsurance** does not apply to the \$50,000 limit of Accounts Receivable Coverage provided by this endorsement. If there is other Accounts Receivable Coverage available to you, the portion of any loss, damage or "loss" which exceeds this endorsement's \$50,000 Accounts Receivable limit will be settled in accordance with the terms of that coverage.

V. The following change applies to the **Fine Arts Floater Coverage Form**:

Enhancement No. 4

The following is added to the **Additional Condition Valuation** in the Fine Arts Floater Coverage Form and the **General Condition Valuation** in the Commercial Inland Marine Conditions:

For any fine arts that are not specifically described, we shall not be liable for more than the market value of such fine arts at the time of loss, damage or "loss" subject to any maximum amount per item or other applicable limit of insurance.

VI. The following changes apply to the **Commercial Articles Coverage Form**:

Enhancement No. 5

The **Additional Condition Coinsurance** does not apply to the \$500,000 limit of coverage for musical instruments and related equipment and accessories provided by this endorsement. If there is other coverage for musical instruments and related equipment and accessories available to you, the portion of any loss, damage or "loss" which exceeds this endorsement's \$500,000 limit will be settled in accordance with the terms of that coverage.

Enhancement No. 6

The **Additional Condition Coinsurance** does not apply to the \$50,000 limit of coverage for cameras, projection machines, films, and related equipment and accessories provided by this endorsement. If there is other coverage for cameras, projection machines, films, and related equipment and accessories available to you, the portion of any loss, damage or "loss" which exceeds this endorsement's \$50,000 limit will be settled in accordance with the terms of that coverage.

VII. The following applies to the **Miscellaneous Property Floater Coverage Form**:

Enhancement No. 7

Miscellaneous school property includes ground maintenance equipment, miscellaneous athletic equipment, mobile radio systems, band and athletic uniforms.

The **Additional Condition Coinsurance** does not apply to the \$500,000 limit of coverage for miscellaneous school property provided by this endorsement. If there is other coverage for miscellaneous school property available to you, the portion of any loss, damage or "loss" which exceeds this endorsement's \$500,000 limit will be settled in accordance with the terms of that coverage.

Enhancement No. 8

With respect to the insurance provided by this enhancement, Covered Property is revised to mean leased property of others in your care, custody or control.

Section A. - Description shall show "Leased Property" under the Description of Property and a \$100,000 Limit of Insurance.

The **Additional Condition Coinsurance** does not apply to the \$100,000 limit of coverage for leased property provided by this endorsement. If there is other coverage for leased property available to you, the portion of any loss, damage or "loss" which exceeds this endorsement's \$100,000 limit will be settled in accordance with the terms of that coverage.

VIII. The following applies to the **Radio and Television Tower and Equipment Coverage Form**:

Enhancement No. 9

With respect to the insurance provided by this enhancement, under item 3 of the Schedule in 8-E-1143, Location shall include all locations described in the Declarations of the Commercial Property Coverage Part. As used in Item 3 of the Schedule of 8-E-1143, **Class C Property** means transmission, receiving and recording radio and television equipment permanently situated at the locations described in the Declaration of the Commercial Property Coverage Part.

IX. The following change applies to the **Data Processing Coverage Form**:

Enhancement No. 10

The **Additional Condition Coinsurance** does not apply to the \$100,000 limit of Data Processing Coverage provided by this endorsement. If there is other Data Processing Coverage available to you, the portion of any loss, damage or "loss" which exceeds this endorsement's \$100,000 Data Processing limit will be settled in accordance with the terms of that coverage.

Effective Date:**2021-08-01
(12:01 A.M. Standard Time)

**Not required if included at policy inception.

HEAD OF THE CLASS UNI-FLEX ENDORSEMENT

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME COVERAGE PART

The Government Crime Coverage Form (Loss Sustained Form) **CR 00 25** is added to provide the coverages shown in the summary below. Faithful Performance of Duty Coverage For Government Employees **CR 25 19** is added to the Employee Theft coverage enhancement. A \$500 deductible applies to each.

The Limits of Insurance shown for a particular coverage supersede all other limits in the policy and any other endorsement, attached thereto, unless higher limits are shown in the Declarations or in the Schedule of the endorsement that provides the coverage. All provisions of the Policy apply unless modified by this endorsement.

SUMMARY OF COVERAGES

Description	Coverage / Limit
Employee Theft - Per Employee Coverage	\$100,000 Per Employee
Forgery or Alteration	\$100,000
Inside The Premises - Theft Of Money And Securities	\$25,000
Outside The Premises - Theft Of Money And Securities	\$25,000
Computer And Funds Transfer Fraud	\$100,000

If there is other valid and collectible insurance available to you in other coverage purchased under this policy for any loss we also cover under this endorsement, the insurance provided under this endorsement is primary.

RADIO AND TELEVISION TOWER AND EQUIPMENT COVERAGE FORM

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

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

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

A. SCHEDULE

The following schedule outlines the type of property considered as covered property under Section B-Coverage.

1. **Class A Property:** Radio or television transmission towers, including foundations, supports, antennae and other permanent equipment, that may be attached to such equipment at the location(s) specified below:

Description	Location	Limit of Insurance
-------------	----------	--------------------

2. **Class B Property:** Transmission and receiving lines and poles, including the number of poles and feet of transmission or receiving lines:

Description	Location	Limit of Insurance
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3. **Class C Property:** Transmitting, receiving and recording radio or television equipment permanently situated at the locations described below:

Location	Limit of Insurance
----------	--------------------

4. **Class D Property:** Transmitting, receiving and recording radio or television equipment located at premises which are not owned, leased, rented or controlled by you in the conduct of your business:

Limit of Insurance: \$

5. **Class E Property:** Property contained in (a) "Mobile Unit(s)" operated by you for radio or television transmission purposes and garaged at the location(s) specified below:

Description	Location	Limit of Insurance
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6. **Class F Property:** Transmitting buildings permanently situated at the location(s) specified below:

Description	Location	Limit of Insurance
-------------	----------	--------------------

DEDUCTIBLE:

B. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss unless an Exclusion applies.

1. Covered Property, as used in this Coverage Form, means:

- a. Property specified in the Schedule of this Form, which is property you own or property which is in your care, custody, or control for which you are liable.
- b. Class of Property, as used in this Coverage Form, means:
Property identified by Symbols A through F in the Schedule of this Form.

2. Property Not Covered

Covered Property does not include:

- a. Furniture, furnishings and supplies held in storage, unless specifically scheduled in this Coverage Form under Section A - Schedule.
- b. Contraband, or property in the course of illegal transportation or trade.
- c. Automobiles, trucks, tractors, trailers or similar conveyance licensed for high-way use. This exclusion does not apply to vehicles licensed: under the Special Purposes Commercial Registration as required in Article #1, Section #125 of the New York Vehicle and Traffic Laws Definition of Motor Vehicles; or, under any other similar laws in effect in other states.

This Exclusion does not apply to vehicles operated as "Mobile Unit(s)" and specified in the Schedule of this Form.

- d. Light bulbs, unless such "loss" coincides with other loss or damage covered by this Coverage Form.
- e. Watercraft and aircraft; plans, blue-prints, designs or specifications; or, underground property or property while located underground; except as defined by Class of Property.
- f. Insured property while waterborne except while on a regular ferry line or unless otherwise endorsed on.

However, loss to such property caused by fire would be covered.

3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

4. Additional Coverage - Collapse

We will pay for direct "loss" to Classes of Property A through E caused by or resulting from risks of direct physical "loss" involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as covered in this Coverage Form;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

With respect to Class F Property, we will pay for direct "loss" caused by and directly resulting from collapse of the tower(s) or any part thereof or attachments thereto, but only if such collapse is caused by a peril other than:

- (1) Fire, lightning;
- (2) Windstorm or hail;
- (3) Aircraft or vehicle collision;
- (4) Explosion;
- (5) Smoke;
- (6) Vandalism or malicious mischief; and
- (7) Any other peril which is specifically excluded by this Coverage Form.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

C. EXCLUSIONS

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

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

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" caused by or resulting from any of the following:

- a. Delay, loss of market, or loss of use.
- b. Bankruptcy, foreclosure or similar proceedings;
- c. Dishonest acts by you, anyone else with an interest in the property, your or their employees or authorized representatives or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.

But this exclusion does not apply to a carrier for hire.

- d. Artificially generated current creating a short circuit or other electric disturbance within an article covered under this Coverage Form.

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

This exclusion only applies to "loss" to that article in which the disturbance occurs.

- e. Mechanical breakdown or failure. But we will pay for direct "loss" caused by resulting fire or explosion if these causes of "loss" would be covered under this Coverage Form.

- f. Work or repairs being performed to Covered Property.

- g. Breakage of tubes, glassware, porcelain and similar fragile articles, except cameras and photographic lenses, unless caused by the collapse of a tower(s), or any material part thereof.

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

- h. Tuning or retuning of the towers (Class A Property) that is specified in the Schedule of this Coverage Form.

3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."

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

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

- c. Faulty, inadequate or defective:

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

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

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

- (4) Maintenance;

of part or all of any property wherever located.

- d. Collapse except as provided in the Additional Coverage - Collapse section of this Coverage Form.

- e. Gradual deterioration; hidden or latent defect; any quality in the property that causes it to damage or destroy itself; insects, vermin or rodents; corrosion; rust; dampness; cold or heat.

D. LIMITS OF INSURANCE

The most we will pay for "loss" in anyone occurrence is the applicable Limit of Insurance shown in the Schedule in this Form.

E. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible shown in the Schedule in this form. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

F. ADDITIONAL CONDITIONS

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

1. Coverage Territory

We cover property wherever located within or between:

- a. The United States of America;
- b. Puerto Rico; and
- c. Canada.

2. Condition of Property

All Covered Property must be in sound condition at the time it becomes insured.

3. Scheduled Property

Each item which is scheduled in this form is considered to be separately insured.

4. Waiver of Subrogation

You may not agree to release or impair any of your rights against any party to recover the full amount of any "loss" covered under this policy. This cannot be done either before or after the "loss."

However, this restriction will not apply to an agreement you make in your contract(s) to perform work.

5. Conditions Voiding Insurance

The insurance provided by this Coverage Form shall terminate in the event you:

- a. Terminate, lapse or cancel any license, lease or permit required to operate radio or television equipment;
- b. Are suspended from using Covered Property occasioned by any ordinance of law, or by order of a governmental authority, including but not limited to:
 - (1) Any injunction or process of court; or
 - (2) Any suspension or probationary period set in writing by a federal official.

This condition shall not apply if the suspension of use was caused by damage to your property from a cause of "loss" covered by this Coverage Form during the Policy Period.

G. DEFINITIONS

"Loss" means accidental loss or damage.

"Mobile unit(s)" means an automobile which has been specially equipped with radio or television equipment and is designed to be licensed for over the road use and transmits or broadcasts radio or television signals.

REPUBLIC FRANKLIN INSURANCE CO.
180 GENESEE STREET
NEW HARTFORD, NY 13413

U0114
USI INS SERVICES LLC
180 PARK AVE, SUITE 102
FLORHAM PARK, NJ 07932
(973)315-0400

POLICY NUMBER: CPP 5175035

NAMED INSURED: FREEHOLD REGIONAL BOARD OF EDUCATION

ADDRESS: 11 PINE ST
ENGLISHTOWN, NJ 07726

BUSINESS DESCRIPTION: KINDERGARTEN - HIGH SCHOOL PUBLIC

POLICY PERIOD: FROM 08-01-2021 TO 08-01-2022 12:01 A.M. Standard Time at your address shown above.

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

COMMERCIAL PROPERTY COVERAGE PART – DECLARATIONS

Deductible is \$ 5,000 for Building and Business Personal Property coverages unless otherwise noted below.
See below and coverage forms for deductible(s) applicable to other items.

LOC./ BLDG.	FORM NUMBER	DESCRIBED PREMISES AND COVERAGES	LIMIT OF INSURANCE	PREMIUM
	8E2680-1	HEAD OF THE CLASS UNI-FLEX ENDORSEMENT	SEE FORM	\$ 12,514
	CP0010	BUILDING AND PERSONAL PROPERTY COVERAGE BLANKET - BUILDING AND PERSONAL	\$ 356,841,272	\$ 150,183

NJ PROPERTY-LIABILITY INSURANCE \$ 1113
GUARANTY ASSOCIATION SURCHARGE

PREMIUM FOR THIS COVERAGE PART \$ 186588

With respect to each coverage, the limit of insurance stated in any form or endorsement attached to this policy applies, unless replaced by the higher amount shown below for such coverage

FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART:

SEE 8-S-1018

MORTGAGE HOLDER:


Authorized Representative

CPP CP 01 5175035
THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS,
COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS

Policy Number: CPP 5175035

DESCRIPTION OF PREMISES AND COVERAGES PROVIDED

LOC./ BLDG.	FORM NUMBER	DESCRIBED PREMISES AND COVERAGES	LIMIT OF INSURANCE	PREMIUM
	CP1030	PROPERTY CAUSES OF LOSS - SPECIAL INCL. THEFT 100% COINSURANCE REPLACEMENT COST AGREED VALUE EXPIR.DATE 08-01-2022 AMOUNT \$356,841,272 PER STATEMENT OF VALUES SEE SCHEDULE OF LOCATIONS 8-S-1023		
001		ADMINISTRATION BUILDING 11 PINE ST ENGLISHTOWN, NJ 07726 PROTECTION CLASS - 04		
001-001		FREEHOLD REGIONAL SCHOOL ADMIN BLDG BUILDING		
001-001		FREEHOLD REGIONAL SCHOOL ADMIN BLDG PERSONAL PROPERTY		
002		HOWELL HIGH SCHOOL 405 SQUANKUM YELLOWBROOK RD MONMOUTH, NJ 07727 PROTECTION CLASS - 04		
002-001		HOWELL HIGH SCHOOL BUILDING		
002-001		HOWELL HIGH SCHOOL PERSONAL PROPERTY		
003		FREEHOLD HIGH SCHOOL 2 ROBERTSVILLE RD FREEHOLD, NJ 07728 PROTECTION CLASS - 03		
003-001		FREEHOLD BORO HIGH SCHOOL BUILDING		
003-001		FREEHOLD BORO HIGH SCHOOL PERSONAL PROPERTY		
004		FREEHOLD TWP HIGH SCHOOL 281 ELTON ADELPHIA RD MONMOUTH, NJ 07728 PROTECTION CLASS - 04		

FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART - CONTINUED:

SEE 8-S-1018

COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS

Policy Number: CPP 5175035

DESCRIPTION OF PREMISES AND COVERAGES PROVIDED

LOC./ BLDG.	FORM NUMBER	DESCRIBED PREMISES AND COVERAGES	LIMIT OF INSURANCE	PREMIUM
004-001		FREEHOLD TWP HIGH SCHOOL BUILDING		
004-001		FREEHOLD TWP HIGH SCHOOL PERSONAL PROPERTY		
005		MANALAPAN HIGH SCHOOL 20 CHURCH LN MANALAPAN, NJ 07726 PROTECTION CLASS - 04		
005-001		MANALAPAN HIGH SCHOOL BUILDING		
005-001		MANALAPAN HIGH SCHOOL PERSONAL PROPERTY		
006		MARLBORO HIGH SCHOOL 95 N MAIN ST MARLBORO, NJ 07746 PROTECTION CLASS - 04		
006-001		MARLBORO HIGH SCHOOL BUILDING		
006-001		MARLBORO HIGH SCHOOL PERSONAL PROPERTY		
007		TRANSPORTATION BUILDING 117 CROW HILL RD FREEHOLD, NJ 07728 PROTECTION CLASS - 04		
007-001		TRANSPORTATION BUILDING PERSONAL PROPERTY		
008		COLTS NECK HIGH SCHOOL 59 FIVE POINTS RD MONMOUTH, NJ 07722 PROTECTION CLASS - 06		
008-001		COLTS NECK HIGH SCHOOL BUILDING		
008-001		COLTS NECK HIGH SCHOOL PERSONAL PROPERTY		
	CP1045	EARTHQUAKE AND VOLCANIC ERUPTION	SEE FORM	\$ 351

FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART - CONTINUED:

SEE 8-S-1018

COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS

Policy Number: CPP 5175035

DESCRIPTION OF PREMISES AND COVERAGES PROVIDED

LOC./ BLDG.	FORM NUMBER	DESCRIBED PREMISES AND COVERAGES	LIMIT OF INSURANCE	PREMIUM
		ENDORSEMENT (SUB-LIMIT FORM)		
	8E1613	POLICY CHANGES/EXTENSION SCHEDULE		\$ 88
	8E1613	POLICY CHANGES/EXTENSION SCHEDULE		\$ 0
	8E1613	POLICY CHANGES/EXTENSION SCHEDULE		\$ 0
	8E2637	EQUIPMENT BREAKDOWN COVERAGE		\$ 11,976
	8E3633	CRISIS EVENT EXPENSE COVERAGE	SEE FORM	\$ 301
	8E3797	LIMITED BACKUP OF SEWERS OR DRAINS	SEE FORM	\$ 1,856
	CP1065	FLOOD COVERAGE ENDORSEMENT	SEE FORM	\$ 5,355
	8E1846	SCHOOLS - LIMITED WATER DAMAGE COVERAGE	SEE FORM	\$ 2,851

FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART - CONTINUED:

SEE 8-S-1018

SUPPLEMENTAL DECLARATIONS BLANKET

Named Insured: FREEHOLD REGIONAL BOARD OF EDUCATION

Schedule of Premises

Location/Building	Described Premises
001	ADMINISTRATION BUILDING 11 PINE ST.,ENGLISHTOWN,NJ PROTECTION CLASS-4
001-001	JOISTED MASONRY
002	HOWELL HIGH SCHOOL 405 SQUANKUM YELLOWBROOK RD.,,MONMOUTH,NJ PROTECTION CLASS-4
002-001	MASONRY NON-COMB
003	FREEHOLD HIGH SCHOOL 2 ROBERTSVILLE RD.,,FREEHOLD,NJ PROTECTION CLASS-3
003-001	MASONRY NON-COMB
004	FREEHOLD TWP HIGH SCHOOL 281 ELTON ADELPHIA RD.,,MONMOUTH,NJ PROTECTION CLASS-4
004-001	MASONRY NON-COMB
005	MANALAPAN HIGH SCHOOL 20 CHURCH LN.,,MANALAPAN,NJ PROTECTION CLASS-4
005-001	MASONRY NON-COMB

006	MARLBORO HIGH SCHOOL 95 N MAIN ST,,MARLBORO,NJ PROTECTION CLASS-4
006-001	MASONRY NON-COMB
007	TRANSPORTATION BUILDING 117 CROW HILL RD,,FREEHOLD,NJ PROTECTION CLASS-4
007-001	NON COMBUSTIBLE
008	COLTS NECK HIGH SCHOOL 59 FIVE POINTS RD,,MONMOUTH,NJ PROTECTION CLASS-6
008-001	MASONRY NON-COMB

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE - VOLCANIC ERUPTION COVERAGE SCHEDULE

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

EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT (SUB-LIMIT FORM)

"Including Masonry Veneer" Option:	No	No, unless checked yes:
Property Damage Deductible:		%or Dollar Amount \$ 25,000
Earthquake - Sprinkler Leakage Only:	No	No, unless checked yes:

Earthquake - Volcanic Eruption Limit(s) of Insurance The Limit of Insurance shown in the Schedule is an annual aggregate limit. Refer to the Limit Of Insurance Provisions in the Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form) for an explanation.

Increased Annual Aggregate Limit Option: No No, unless checked yes:

Blanket Limit

The Blanket Limit Of Insurance shown below applies only to the Buildings, Locations, Covered Property or Coverages for which it is specifically listed. The Blanket Limit is the most we will pay for all loss or damage to the indicated Covered Property/Coverages at the Buildings and Locations listed, subject to all other applicable provisions of the Limit of Insurance section in the Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form).

Blanket Limit Of Insurance: \$1,000,000

Note: Use one line of entry in the schedule below to show all Buildings, Locations, Covered Property or Coverages subject to the Blanket Limit.

Use the following abbreviations to indicate applicable Covered Property/Coverage:

Bldg = Building; BPP = Business Personal Property; BPO = Business Property of Others; PO = Property in the Open; TIB = Tenants Improvements & Betterments; BIEE = Business Income Coverage Form including Extra Expense; BI = Business Income Coverage Form excluding Extra Expense; EE = Extra Expense Coverage Form;

Loc. No. & Bldg. No.	Covered Property/Coverage
001 001	Bldg
001 001	BPP
002 001	Bldg
002 001	BPP
003 001	Bldg
003 001	BPP
004 001	Bldg
004 001	BPP
005 001	Bldg
005 001	BPP
006 001	Bldg
006 001	BPP

Loc. No. & Bldg. No.		Covered Property/Coverage
007	001	BPP
008	001	Bldg
008	001	BPP

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLOOD COVERAGE SCHEDULE

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

FLOOD COVERAGE ENDORSEMENT

Inception Date Of Flood Coverage Endorsement: See declarations or if Flood Coverage is added after policy inception, see amendment date. **Note:** There is no coverage for a Flood that begins before or within 72 hours after this date, subject to a limited exception. Refer to Section **D.5.a.** of the endorsement for additional information.

Description Of Personal Property In The Open, If Covered For Flood:

Flood Deductible:\$25,000

No-Coinsurance Option:

Yes: X

No:

Other Flood Insurance, If Any (identify insurer and policy number):

Primary (NFIP):

Other:

Underlying Insurance Waiver: Yes

Note: Refer to Section **I.1.** of the Endorsement for an explanation of this option. If the Underlying Insurance Waiver applies only to certain premises or locations, specify such premises or locations: (If premises or locations are not specified, the Underlying Insurance Waiver applies to all premises and locations.)

Annual Aggregate Limit - Flood Coverage Endorsement \$1,000,000

Note: Refer to the Limit Of

Insurance provisions in the endorsement for an explanation.

Flood Limit Of Insurance - Single Occurrence: Enter the Limit(s) in Section **A** and/or **B** of this Schedule. Refer to the Limit Of Insurance provisions in the endorsement for an explanation.

A. Blanket Limits

Each Blanket Limit shown below applies only to the Buildings, Locations, Covered Property or Coverages for which it is specifically listed. The Blanket Limit is the most we will pay for all loss or damage to the indicated Covered Property/Coverages at the Buildings and Locations listed, subject to all other applicable provisions of the Limit of Insurance section in the Flood Coverage Endorsement.

Note: Use one line of entry in the schedule below to show all Buildings, Locations, Covered Property or Coverages subject to a specific Blanket Limit. Do not include any Covered Property or Coverages specifically scheduled under Section **B**.

Use the following abbreviations to indicate applicable Covered Property/Coverage:

Bldg = Building; BPP = Business Personal Property; BPO = Business Property of Others; PO = Property in the Open; TIB = Tenants Improvements & Betterments; BIEE = Business Income Coverage Form including Extra Expense; BI = Business Income Coverage Form excluding Extra Expense; EE = Extra Expense Coverage Form;

Loc. Numbers & Bldg. Numbers	Covered Property/Coverage	Blanket Limit of Insurance
001-001	Bldg	Included
001-001	BPP	Included
002-001	Bldg	Included
002-001	BPP	Included
003-001	Bldg	Included
003-001	BPP	Included
004-001	Bldg	Included
004-001	BPP	Included
005-001	Bldg	Included
005-001	BPP	Included
006-001	Bldg	Included
006-001	BPP	Included
007-001	BPP	Included
008-001	Bldg	Included
008-001	BPP	Included

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

Loc. No.	Bldg No.	Coverage	Limit Of Insurance
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BUILDING AND PERSONAL 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 **H. Definitions**.

A. Coverage

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

1. Covered Property

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

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

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

b. Your Business Personal Property

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

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

c. Personal Property Of Others that is:

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

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

2. Property Not Covered

Covered Property does not include:

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

This paragraph does not apply to:

- (a)** Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
 - (c) Rowboats or canoes out of water at the described premises; or
 - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

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

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
 - (e) Remove deposits of mud or earth from the grounds of the described premises;
 - (f) Extract "pollutants" from land or water; or
 - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
 - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

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

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

Example 2

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

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

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

b. Preservation Of Property

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

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

c. Fire Department Service Charge

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

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

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

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

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

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

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.

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

- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.
- The amount payable under this Additional Coverage is additional insurance.
- (7) With respect to this Additional Coverage:
- (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced at the same or another premises; and
 - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
 - (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
 - (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.
- f. Electronic Data**
- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
 - (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
 - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

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

5. Coverage Extensions

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

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

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

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

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

- (b) This Extension does not apply to:
 - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

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

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

b. Personal Effects And Property Of Others

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

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

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

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

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

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

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

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

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

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

g. Business Personal Property Temporarily In Portable Storage Units

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

- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
 - (a) Will end 90 days after the business personal property has been placed in the storage unit;
 - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

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

B. Exclusions And Limitations

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

C. Limits Of Insurance

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

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

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

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

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

D. Deductible

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

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

Example 1

(This example assumes there is no Coinsurance penalty.)

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

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

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

$$\begin{array}{r} \$ 60,100 \\ - \quad 250 \\ \hline \end{array}$$

\$ 59,850 Loss Payable – Building 1

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

Total amount of loss payable:

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

Example 2

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

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

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

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties In The Event Of Loss Or Damage

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

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

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b.** We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

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

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b.** The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c.** We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d.** We will not pay you more than your financial interest in the Covered Property.
- e.** We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f.** We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g.** We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

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

5. Recovered Property

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

6. Vacancy

a. Description Of Terms

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
- (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

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

- (i)** Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
- (ii)** Used by the building owner to conduct customary operations.

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

b. Vacancy Provisions

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

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

7. Valuation

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

- a.** At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

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

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

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

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

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

F. Additional Conditions

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

1. Coinsurance

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

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

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

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

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

Example 1 (Underinsurance)

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

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

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

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

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

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

Example 2 (Adequate Insurance)

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

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

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

Example 3

When: The value of the property is:

Building at Location 1:	\$ 75,000
Building at Location 2:	\$ 100,000
Personal Property at Location 2:	<u>\$ 75,000</u>
	\$ 250,000

The Coinsurance percentage for it is: 90%

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

The Deductible is: \$ 1,000

The amount of loss is:

Building at Location 2: \$ 30,000

Personal Property at Location 2: \$ 20,000
\$ 50,000

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

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

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

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

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

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

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

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

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

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

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

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

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

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

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

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

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

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

G. Optional Coverages

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

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

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

Example

If: The applicable Limit of Insurance is: \$ 100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 =$ \$ 3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

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

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

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

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

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

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

4. Extension Of Replacement Cost To Personal Property Of Others

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

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

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

H. Definitions

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

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

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

A. Coverage

1. Business Income

Business Income means the:

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

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

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

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

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

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

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

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

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

2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

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

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

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

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

3. Covered Causes Of Loss, Exclusions And Limitations

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

4. Additional Limitation – Interruption Of Computer Operations

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

5. Additional Coverages

a. Civil Authority

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

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

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

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

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

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

b. Alterations And New Buildings

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

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

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

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

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

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

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

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

(2) "Rental Value"

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

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

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

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

d. Interruption Of Computer Operations

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

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations – does not apply based on Paragraph **A.4.d.** therein.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

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

Newly Acquired Locations

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

(2) 30 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

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

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

B. Limits Of Insurance

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

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

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

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

C. Loss Conditions

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

1. Appraisal

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

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

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

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

2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

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

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

- b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

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

4. Loss Payment

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

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

D. Additional Condition

COINSURANCE

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

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

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

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

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

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

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

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

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

Example 1 (Underinsurance)

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

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

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

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

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

Example 2 (Adequate Insurance)

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

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

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

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

1. Maximum Period Of Indemnity

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

- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit Of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

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

Example

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

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

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

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

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

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

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

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

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

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

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

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

Example

When:	The Limit of Insurance is:	\$ 100,000
	The Agreed Value is:	\$ 200,000
	The amount of loss is:	\$ 80,000

Step (1): $\$100,000 \div \$200,000 = .50$

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

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

4. Extended Period Of Indemnity

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

F. Definitions

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

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

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

2. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

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

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

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

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

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

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverages B And C Combined Limit Of Insurance
/	☐	\$	\$	\$ *
/	☐	\$	\$	\$ *
/	☐	\$	\$	\$ *

Post-Loss Ordinance Or Law Option: Yes ☐ No ☒

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

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

A. Each Coverage – Coverage **A**, Coverage **B** and Coverage **C** – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the building identified for that Coverage(s) in the Schedule.

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies with respect to an ordinance or law that regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises, subject to the following:

1. The requirements of the ordinance or law are in force at the time of loss. But if the Post-Loss Ordinance Or Law Option is indicated in the Schedule as being applicable, then Paragraph **B.2.** applies instead of this Paragraph **B.1.**

2. The requirements of the ordinance or law are in force at the time of loss; or the ordinance or law is promulgated or revised after the loss but prior to commencement of reconstruction or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.

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

4. Coverage under this endorsement applies only if:

- a. The building sustains only direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or
- b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.

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

5. If coverage applies under this endorsement based on the terms of Paragraph **B.4.b.**, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B**, and/or **C** of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Paragraph **F**. of this endorsement provides an example of this procedure.)

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

6. We will not pay under this endorsement for:

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

7. We will not pay under this endorsement for any loss in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of building damage, if you failed to comply.

C. Coverage

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

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

Coverage **A** is included within the Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. Coverage **A** does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

3. Coverage C – Increased Cost Of Construction Coverage

a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

- b. When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with Paragraph **C.3.a.** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in Paragraph **C.3.a.**:

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, **3.b.**

D. Loss Payment

1. All following loss payment provisions, **D.2.** through **D.5.**, are subject to the apportionment procedures set forth in Paragraph **B.5.** of this endorsement.
2. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and such building is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct such building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- (2) The Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)

- b. If the Replacement Cost Coverage Option applies and such building is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:

- (1) The actual cash value of such building at the time of loss; or
- (2) The Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)

3. Unless Paragraph **D.5.** applies, loss payment under Coverage **B** – Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

- a. The amount you actually spend to demolish and clear the site of the described premises; or
- b. The applicable Limit Of Insurance shown for Coverage **B** in the Schedule.

4. Unless Paragraph **D.5.** applies, loss payment under Coverage **C** – Increased Cost Of Construction Coverage will be determined as follows:

a. We will not pay under Coverage **C**:

- (1) Until the building is actually repaired or replaced, at the same or another premises; and
- (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **C** is the lesser of:

- (1) The increased cost of construction at the same premises; or
- (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.

c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:

- (1) The increased cost of construction at the new premises; or
- (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.

5. If a Combined Limit Of Insurance is shown for Coverages **B** and **C** in the Schedule, Paragraphs **D.3.** and **D.4.** do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

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

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

b. With respect to the Increased Cost of Construction:

- (1) We will not pay for the increased cost of construction:
 - (a) Until the building is actually repaired or replaced, at the same or another premises; and

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

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

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

E. The terms of this endorsement apply separately to each building to which this endorsement applies.

F. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Paragraph **B.5.**).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1: Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2: Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage **C** loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages **A** and **B** of this endorsement.

G. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLLUTANT CLEAN UP AND REMOVAL
ADDITIONAL AGGREGATE LIMIT OF INSURANCE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
BUILDERS' RISK COVERAGE FORM
STANDARD PROPERTY POLICY
TOBACCO SALES WAREHOUSE COVERAGE FORM

SCHEDULE*			
Prem. No.	Additional Aggregate Limit of Insurance	Deductible	Additional Premium
A.	The \$10,000 annual aggregate limit for the POLLUTANT CLEAN UP AND REMOVAL Additional Coverage is increased by the Additional Aggregate Limit of Insurance shown in the Schedule.	The Deductible shown in the Schedule is	\$10,000
B.	We will not pay under this endorsement for "pollutants" clean up or removal costs in any occurrence until the total of all such costs exceeds the sum of:	The Pollutant Clean Up and Removal Additional Aggregate Limit of Insurance is	\$25,000
	1. The \$10,000 aggregate limit from the basic Pollutant Clean Up and Removal Additional Coverage, less any prior payments for the same policy year; plus	We will determine the most we will pay under this endorsement as follows:	
	2. The Deductible shown in the Schedule.	The cost incurred	\$40,000
	We will then pay the costs in excess of that sum, until the Additional Aggregate Limit of Insurance shown in the Schedule is used up during the applicable 12-month period.	Less the sum of the remaining basic Additional Coverage aggregate and the Deductible	\$ 6,000 <u>10,000</u> <u>-16,000</u>
	Example:	The most we will pay under this endorsement is	\$24,000
	The cost of "pollutants" clean up and removal is	The remaining benefit under this endorsement for costs incurred for the policy year is \$1,000.	
		C. No other Deductible in this policy applies to this endorsement.	
	The remaining aggregate from the basic Additional Coverage (assuming \$4,000 has previously been paid for the same policy year) is		

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEBRIS REMOVAL ADDITIONAL INSURANCE

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY
TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Debris Removal Amount	Additional Premium
		\$	\$
		\$	\$
		\$	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

The additional amount of \$25,000 for debris removal in the **Debris Removal** Additional Coverages section is replaced by the higher amount shown in the Schedule.

UTILITY SERVICES – DIRECT DAMAGE

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM
 BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY
 TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Utility Services Limit Of Insurance	Enter "X" for each applicable property.				
			Water Supply Property	Communi- cation Supply Property (including overhead transmis- sion lines)	Communi- cation Supply Property (not including overhead transmis- sion lines)	Power Supply Property (including overhead transmis- sion lines)	Power Supply Property (not including overhead transmis- sion lines)
		\$					
Covered Property:							
Causes Of Loss Form Applicable:							
		\$					
Covered Property:							
Causes Of Loss Form Applicable:							
		\$					
Covered Property:							
Causes Of Loss Form Applicable:							
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.							

A. Coverage

We will pay for loss of or damage to Covered Property described in the Schedule, caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss (as indicated in the Schedule) to the property described in Paragraph C. if such property is indicated by an "X" in the Schedule.

B. Exception

Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

C. Utility Services

1. Water Supply Services, meaning the following types of property supplying water to the described premises:
 - a. Pumping stations; and
 - b. Water mains.
2. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - a. Communication transmission lines, including optic fiber transmission lines;

b. Coaxial cables; and

c. Microwave radio relays except satellites.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

3. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

a. Utility generating plants;

b. Switching stations;

c. Substations;

d. Transformers; and

e. Transmission lines.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

- D. As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

- E. If a Utility Services Limit Of Insurance is shown in the Schedule, such limit is part of, not in addition to, the Limit Of Insurance stated in the Declarations or in the Separation Of Coverage endorsement as applicable to the Covered Property.

If no Limit of Insurance is shown for Utility Services, coverage under this endorsement is subject to the applicable Limit Of Insurance on the Covered Property as shown in the Declarations or in the Separation Of Coverage endorsement. But this Utility Services endorsement does not increase the applicable Limit of Insurance.

CAUSES OF LOSS – SPECIAL FORM

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

A. Covered Causes Of Loss

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

B. Exclusions

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

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

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

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

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

b. Earth Movement

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

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

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

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

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

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

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

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

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

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

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

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

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

f. War And Military Action

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

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

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

g. Water

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

- (2) Mudslide or mudflow;

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

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

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

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

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

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

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

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

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

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

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

This exclusion does not apply:

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

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

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

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

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

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

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

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

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

d.(1) Wear and tear;

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

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

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

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

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

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

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

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

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

- g.** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1)** You do your best to maintain heat in the building or structure; or
 - (2)** You drain the equipment and shut off the supply if the heat is not maintained.
- h.** Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

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

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

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

- (a)** To the extent that coverage is provided under the Additional Coverage, Collapse; or
 - (b)** To collapse caused by one or more of the following:
 - (i)** The "specified causes of loss";
 - (ii)** Breakage of building glass;
 - (iii)** Weight of rain that collects on a roof; or
 - (iv)** Weight of people or personal property.
 - l.** Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".
- This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.
- m.** Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 3.** We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a.** Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **1.** above to produce the loss or damage.
 - b.** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c.** Faulty, inadequate or defective:
 - (1)** Planning, zoning, development, surveying, siting;
 - (2)** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3)** Materials used in repair, construction, renovation or remodeling; or
 - (4)** Maintenance;

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

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

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

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

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

c. Legal Liability Coverage Form

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

(a) Contractual Liability

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

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

(b) Nuclear Hazard

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

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

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

C. Limitations

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

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

 - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

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

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

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

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

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

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

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

- a.** Results in discharge of any substance from an automatic fire protection system; or
- b.** Is directly caused by freezing.

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

D. Additional Coverage – Collapse

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

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

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

- a.** Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b.** Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c.** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- d.** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

- (1) A cause of loss listed in **2.a.** or **2.b.**;
- (2) One or more of the "specified causes of loss";
- (3) Breakage of building glass;
- (4) Weight of people or personal property; or
- (5) Weight of rain that collects on a roof.

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

- a.** A building or any part of a building that is in danger of falling down or caving in;
- b.** A part of a building that is standing, even if it has separated from another part of the building; or
- c.** A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a.** Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

- b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

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

- 6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.**

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

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

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

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

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

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

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

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

F. Additional Coverage Extensions

1. Property In Transit

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

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

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

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

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

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

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

G. Definitions

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT (SUB-LIMIT FORM)

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** This endorsement applies to the Covered Property and Coverages for which an Earthquake – Volcanic Eruption Limit Of Insurance is shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations.

C. Additional Covered Causes Of Loss

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

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

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

- 2.** If the Earthquake – Volcanic Eruption Coverage Schedule or the Declarations indicate that this endorsement covers Earthquake – Sprinkler Leakage Only, then the Covered Causes of Loss in Paragraph **C.1.** of this endorsement do not apply, and the following apply instead:

- a.** Sprinkler Leakage resulting from Earthquake.
- b.** Sprinkler Leakage resulting from Volcanic Eruption. Volcanic Eruption means the eruption, explosion or effusion of a volcano.

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

D. Exclusions, Limitations And Related Provisions

- 1.** The Exclusions and Limitation(s) sections of the Causes Of Loss Form (and the Exclusions section of the Mortgageholders Errors And Omissions Coverage Form and the Standard Property Policy) apply to coverage provided under this endorsement, except as provided in **D.2.** and **D.3.** below.
- 2.** To the extent that the Earth Movement Exclusion might conflict with coverage provided under this endorsement, the Earth Movement Exclusion does not apply.
- 3.** The exclusion of collapse, in the Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, does not apply to collapse caused by Earthquake or Volcanic Eruption.
- 4.** The Additional Coverage – Collapse, in the Causes Of Loss – Broad Form, Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, does not apply to the coverage provided under this endorsement. This endorsement includes coverage for collapse caused by Earthquake or Volcanic Eruption.
- 5.** We will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami, even if attributable to an Earthquake or Volcanic Eruption.

6. We will not pay for loss or damage caused by or resulting from any Earthquake or Volcanic Eruption that begins before the inception of this insurance.
7. The Ordinance Or Law Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.
8. We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Property Damage Deductible applicable to this endorsement.
This limitation, **D.8.**, does not apply if:
 - a. The Earthquake – Volcanic Eruption Coverage Schedule or the Declarations indicate that the “Including Masonry Veneer” option applies; or
 - b. Less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco).
9. Under this Coverage Part, as set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land.

E. No Coinsurance

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

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

F. Limit Of Insurance

1. General Information

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

The Earthquake – Volcanic Eruption Coverage Schedule or the Declarations provide information on the Limit of Insurance applicable to Covered Property and Coverages for Earthquake – Volcanic Eruption.

2. Annual Aggregate Limit

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

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

3. Increased Annual Aggregate Limit Option

If the Earthquake – Volcanic Eruption Coverage Schedule or the Declarations indicate that the Increased Annual Aggregate Limit Option applies, then the following applies instead of Paragraph **F.2.** above:

The Limit of Insurance for Earthquake – Volcanic Eruption is the most we will pay in a single Earthquake or Volcanic Eruption (as defined in Section **C.** of this endorsement) for loss or damage caused by the Earthquake or Volcanic Eruption. If there is more than one Earthquake or Volcanic Eruption in a 12-month period (starting with the beginning of the present annual policy period), the most we will pay for the total of all loss or damage sustained during that period of time and caused by Earthquake or Volcanic Eruption is two times the Limit of Insurance.

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

4. Additional Coverages And Coverage Extensions

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

5. Limitation

For property or coverage that is subject to a Blanket Limit on Earthquake – Volcanic Eruption (as shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations), we will not pay more than we would pay in the absence of such Blanket Limit. Therefore, the maximum amount payable for any such item of property or coverage is the Limit of Insurance or stated value (as shown in a Statement of Values on file with us) specific to that item of property or coverage for Covered Causes of Loss other than Earthquake – Volcanic Eruption.

6. Ensuing Loss

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

EXAMPLES – ENSUING LOSS

Two examples follow using these facts: The Commercial Property Coverage Part, in these examples, includes the Causes Of Loss – Basic Form (which covers fire) and this Earthquake – Volcanic Eruption Endorsement. A building is damaged by Earthquake, and by Fire which is caused by the Earthquake. The value of the damaged building is \$1,000,000. The Limit of Insurance applicable to the building, for the Basic Causes of Loss, is \$800,000. The Limit of Insurance for Earthquake – Volcanic Eruption is \$400,000. The Earthquake Deductible amount is \$50,000.

Example 1

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

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

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

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

Total Loss Payment is \$800,000.

Example 2

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

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

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

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

Total Loss Payment is \$500,000.

G. Property Damage Deductible

1. The provisions of Section **G.3.** of this endorsement are applicable to all Coverage Forms except:

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

2. If the Declarations indicate that this endorsement covers Earthquake – Sprinkler Leakage Only, then the Deductible set forth in Section **G.3.** of this endorsement does not apply to such coverage. The applicable Deductible for such coverage is the same Deductible that applies to Fire.

3. The Deductible, if any, in this Coverage Part is replaced by the following with respect to Earthquake and Volcanic Eruption:

a. All Policies

- (1) The Deductible provisions apply to each Earthquake or Volcanic Eruption.
- (2) Separate Deductibles are calculated for, and apply to, each building, personal property at each building and personal property in the open. Deductibles are separately calculated and applied even if:
 - (a) Two or more buildings sustain loss or damage;
 - (b) Personal property at two or more buildings sustains loss or damage; and/or
 - (c) A building and the personal property in that building sustain loss or damage.

- (3) We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance.
- (4) When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations for any described premises.
- (5) If there is loss or damage caused by Earthquake or Volcanic Eruption, and loss or damage caused by a Cause of Loss (e.g., fire) that is covered by means of an exception to the Earth Movement Exclusion, then the only applicable Deductible provisions are those stated in this endorsement.

b. Calculation Of The Deductible – Specific Insurance Other Than Builders Risk

(1) Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is that shown in the most recent Statement of Values on file with us.

(2) Property Subject To Value Reporting Forms

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

However:

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

c. Calculation Of The Deductible – Blanket Insurance Other Than Builders Risk

(1) Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is that shown in the most recent Statement of Values on file with us.

(2) Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of that property as of the time of loss or damage.

d. Calculation Of The Deductible – Builders Risk Insurance

(1) Builders Risk Other Than Reporting Form

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

(2) Builders Risk Reporting Form

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

However:

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

H. Example – Application Of Deductible In G.3.b.(1) And G.3.c.(1) – For Specific Or Blanket Insurance Other Than Builders Risk (Not Subject To Value Reporting Forms)

The values, as shown in the most recent Statement of Values on file with us, are:

Building 1 \$500,000

Building 2 \$500,000

Business Personal Property at Building 1 \$250,000

Business Personal Property at Building 2 \$250,000

For this example, assume that the amounts of loss do not exceed the applicable Limits of Insurance (for specific insurance). Also assume that the total amount of loss does not exceed the applicable Blanket Limit of Insurance (for blanket insurance).

Building 1 and Business Personal Property at Building 1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Business Personal Property).

The Deductible is 10%.

Building

Step **(1)**: $\$500,000 \times 10\% = \$50,000$

Step **(2)**: $\$95,000 - \$50,000 = \$45,000$

Business Personal Property

Step **(1)**: $\$250,000 \times 10\% = \$25,000$

The loss, \$5,000, does not exceed the deductible.

The most we will pay is \$45,000. The remainder of the building loss, \$50,000, is not covered due to application of the Deductible. There is no loss payment for the business personal property.

I. Business Income And Extra Expense Period Of Restoration

This Section **I.** is applicable only to the Coverage Forms specified below:

- 1.** Business Income (And Extra Expense) Coverage Form;
- 2.** Business Income (Without Extra Expense) Coverage Form;
- 3.** Extra Expense Coverage Form.

The "period of restoration" definition stated in the Coverage Form, or in any endorsement amending the beginning of the "period of restoration", applies to each Earthquake or Volcanic Eruption. A single Earthquake or Volcanic Eruption is defined in Section **C.** of this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLOOD COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** This endorsement applies to the Covered Property and Coverages for which a Flood Limit Of Insurance is shown in the Flood Coverage Schedule or in the Declarations.
- C. Additional Covered Cause Of Loss**
The following is added to the Covered Causes of Loss:
Flood, meaning a general and temporary condition of partial or complete inundation of normally dry land areas due to:
1. The overflow of inland or tidal waters;
 2. The unusual or rapid accumulation or runoff of surface waters from any source; or
 3. Mudslides or mudflows which are caused by flooding as defined in **C.2.** above. For the purpose of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
- All flooding in a continuous or protracted event will constitute a single flood.
- D. Exclusions, Limitations And Related Provisions**
1. The Exclusions and Limitation(s) sections of the Causes Of Loss form (and the Exclusions section of the Mortgageholders Errors And Omissions Coverage Form and the Standard Property Policy) apply to coverage provided under this endorsement except as provided in **D.2.** and **D.3.** below.
 2. To the extent that a part of the Water Exclusion might conflict with coverage provided under this endorsement, that part of the Water Exclusion does not apply.
 3. To the extent that a tsunami causes the overflow of tidal waters, the exclusion of earthquake, in the Earth Movement Exclusion, does not apply.
 4. The **Ordinance Or Law** Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.
 5. The following exclusions and limitations are added and apply to coverage under this endorsement:
 - a. We will not pay for any loss or damage caused by or resulting from any Flood that begins before or within 72 hours after the inception date of this endorsement. However, this limitation does not apply to a particular location if Flood coverage was in effect for that location for at least 72 hours immediately prior to the inception date of this endorsement, under a policy issued by us or by another insurer, and this policy replaces the previous policy without a lapse in coverage. If you request and we provide an increase in the stated Limit of Insurance for Flood during the term of this policy, with the exception of an increase at the time of renewal of the policy, the increase will not apply to loss or damage from any Flood that begins before or within 72 hours after your request was made.

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

- b. We will not pay for loss or damage caused by or resulting from destabilization of land arising from the accumulation of water in subsurface land areas.
- c. Under this Coverage Part, as set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land due to the collapse or sinking of land caused by or resulting from Flood. However, coverage under this endorsement includes damage to the covered portions of the building and to covered personal property, caused by collapse or sinking of land along the shore of a body of water as the result of erosion or undermining caused by waves or currents of water which exceed the cyclical levels and cause Flood.
- d. We do not cover loss or damage by Flood to personal property in the open except to the extent that such coverage, if any, is specified in the Flood Coverage Schedule or in the Declarations.
- e. Property Not Covered, in the Coverage Form to which this endorsement is attached, is amended and supplemented as follows with respect to Flood Coverage:
 - (1) Property Not Covered includes any building or other property that is not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act, 16 U.S.C. 3501 *et seq.* and the Coastal Barrier Improvement Act of 1990, Pub. L. 101-591, 16 U.S.C. 3501 *et seq.*
 - (2) Property Not Covered includes boat houses and open structures, and any property in or on the foregoing, if the structure is located on or over a body of water.
 - (3) If bulkheads, pilings, piers, wharves, docks, or retaining walls that are not part of a building, have been removed from Property Not Covered and added as Covered Property by separate endorsement, this Flood Coverage Endorsement does not apply to such property.

(4) The following are removed from Property Not Covered and are therefore Covered Property:

- (a) Foundations below the lowest basement floor or the subsurface of the ground; and
 - (b) Underground pipes, flues and drains.
- f. We will not pay for loss or damage caused by discharge of water or waterborne material from a sewer, drain or sump unless such discharge results from Flood and occurs within 72 hours after the Flood recedes.

E. Additional Coverages And Coverage Extensions

1. With respect to Flood Coverage, the Debris Removal Additional Coverage (and any additional limit for Debris Removal under a Limit of Insurance clause or an endorsement) is not applicable and is replaced by the following:

Debris Removal

- a. We will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from Flood. However, we will not pay to remove deposits of mud or earth from the grounds of the described premises.
 - b. We will also pay the expense to remove debris of Covered Property that has floated or been hurled off the described premises by Flood.
 - c. This coverage for Debris Removal, as set forth in **E.1.a.** and **E.1.b.** above, does not increase the applicable Limit of Insurance for Flood. Therefore, the most we will pay for the total of debris removal and loss or damage to Covered Property is the Limit of Insurance for Flood that applies to the Covered Property at the affected described premises covered under this endorsement.
2. With respect to Flood Coverage, the Coverage Extension for Newly Acquired or Constructed Property is amended by adding the following:
 - a. With respect to Flood Coverage, this Coverage Extension does not apply to any building or structure that is not fully enclosed by walls and roof.

b. With respect to a building or structure covered under this Coverage Extension, the amounts of coverage stated in the Coverage Extension do not apply to Flood Coverage. Instead, the most we will pay for all loss or damage to property covered under this Coverage Extension is 10% of the total of all Limits of Insurance for Flood Coverage as provided under this endorsement. Such coverage does not increase the Limit of Insurance for Flood.

3. With respect to any applicable Additional Coverages and Coverage Extensions in the Coverage Form to which this endorsement is attached, other than those addressed in **E.1.** and **E.2.** above, amounts payable under such other provisions, as set forth therein, do not increase the Limit of Insurance for Flood.

F. Coinsurance

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

G. Limit Of Insurance

1. General Information

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

The Limit Of Insurance for Flood is shown in the Flood Coverage Schedule or in the Declarations. If such Limit is not shown, then the Limit applicable to Fire also applies to Flood.

2. Application Of Limit And Aggregate

The Limit of Insurance for Flood is the most we will pay in a single occurrence of Flood for loss or damage caused by the Flood. If there is more than one Flood in a 12-month period (starting with the beginning of the present annual policy period), the most we will pay for the total of all loss or damage sustained during that period of time and caused by Flood is the amount that is identified as the Annual Aggregate for Flood as shown in the Flood Coverage Schedule or the Declarations.

If the Limit of Insurance and the Annual Aggregate amount are the same, or if there is no amount stated as an Annual Aggregate, then the Limit of Insurance is the most we will pay for the total of all loss or damage that is caused by Flood in a 12-month period (starting with the beginning of the present annual policy period), even if there is more than one occurrence of Flood during that period of time. Thus, if the first Flood does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for a subsequent Flood(s).

If a single occurrence of Flood begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance or Annual Aggregate applicable to the following annual policy period will **not** apply to that Flood.

3. Ensuing Loss

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

EXAMPLES – ENSUING LOSS

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

EXAMPLE 1

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

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

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

Total Loss Payment is \$800,000.

EXAMPLE 2

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

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

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

Total Loss Payment is \$500,000.

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

H. Deductible

1. The Deductible for coverage provided under this endorsement is the Deductible applicable to Flood as shown in the Flood Coverage Schedule or in the Declarations.
2. We will not pay that part of the loss that is attributable to any Deductible(s) in the National Flood Insurance Program policy.
3. If Flood results in another Covered Cause of Loss and if both Covered Causes of Loss cause loss or damage, then only the higher deductible applies (e.g., the Flood deductible or the Fire deductible).

I. Other Insurance

The **Other Insurance** Commercial Property Condition is replaced by the following with respect to the coverage provided under this endorsement:

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

However, this Provision **I.1.** does not apply under the following circumstances:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**UTILITY SERVICES – TIME ELEMENT**

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Premises Number	Building Number	Utility Services Limit Of Insurance	Enter "X" for each applicable property.					
			Water Supply Property	Waste-water Removal Property	Communication Supply Property (including overhead transmission lines)	Communication Supply Property (not including overhead transmission lines)	Power Supply Property (including overhead transmission lines)	Power Supply Property (not including overhead transmission lines)
		\$						
Causes Of Loss Form Applicable:								
Business Income Waiting Period: _____ Hours (Leave blank if no waiting period applies to Business Income, or if Business Income coverage does not apply.)								
		\$						
Causes Of Loss Form Applicable:								
Business Income Waiting Period: _____ Hours (Leave blank if no waiting period applies to Business Income, or if Business Income coverage does not apply.)								
		\$						
Causes Of Loss Form Applicable:								
Business Income Waiting Period: _____ Hours (Leave blank if no waiting period applies to Business Income, or if Business Income coverage does not apply.)								
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.								

A. Coverage

Your coverage for Business Income and/or Extra Expense, as provided and limited in the applicable Coverage Form, is extended to apply to a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss (as provided under the applicable Causes of Loss form indicated in the Schedule) to the property described in Paragraph **E.** if such property is indicated by an "X" in the Schedule.

B. Waiting Period

If a Business Income Waiting Period is indicated in the Schedule, such waiting period begins at the time of interruption of utility service to the described premises.

C. Duration Of Coverage

Coverage under this endorsement applies to loss sustained and expense incurred during the period of time that:

1. Begins:

- a.** Following expiration of the waiting period indicated in the Schedule, for Business Income; or
- b.** At the time of interruption of utility service to the described premises, for Extra Expense (and for Business Income, if a Business Income Waiting Period does not apply); and

2. Ends when:

- a.** "Operations" are fully resumed by any means; or
- b.** "Operations" could be fully resumed with reasonable speed following restoration of utility service to the described premises;

whichever occurs first.

The expiration date of this policy will not cut short the duration of coverage under this endorsement.

The "period of restoration" definition in the Coverage Form, or in any endorsement amending the Coverage Form, does not apply to the coverage provided under this endorsement.

D. Exception

Coverage under this endorsement does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

E. Utility Services

1. Water Supply Property, meaning the following types of property supplying water to the described premises:

- a.** Pumping stations; and
- b.** Water mains.

2. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

3. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:

- a.** Communication transmission lines, including optic fiber transmission lines;
- b.** Coaxial cables; and
- c.** Microwave radio relays except satellites.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

4. Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described premises:

- a.** Utility generating plants;
- b.** Switching stations;
- c.** Substations;

- d. Transformers; and
- e. Transmission lines.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

- F. As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

- G. The **Coinurance** Additional Condition does not apply to this endorsement.

- H. The Utility Services Limit Of Insurance, as shown in the Schedule, is the only Limit which applies to the coverage provided under this endorsement, and is part of, not in addition to, the Limit Of Insurance stated in the Declarations as applicable to the described premises.

POLICY NUMBER: 5175035

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES/EXTENSION SCHEDULE

Policy Change

This Endorsement forms a part of the policy numbered below:

Number _____

Policy Number 5175035		Policy Effective 08-01-2021	Changes		Company Republic Franklin Ins. Co.	
Term 1 Yrs.	From 08-01-2021	To 08-01-2022	☐ Subject to Audit		☐ Not Subject to Audit	
Named Insured and Mailing Address FREEHOLD REGIONAL BOARD OF EDUCATION 11 PINE ST, ENGLISHTOWN, NJ, 07726			Producer Usi Ins Services LLC			
			Producer No. GAU0114			

IT IS AGREED THAT for any box in Part A marked X, the policy is amended as stated in Part B.

P A R T A.	☐ NAME OF INSURED	☐ DELETING ENDORSEMENT(S)	☐ AMENDING PREMIUM
	☐ ADDRESS OF INSURED INSURANCE	☐ ADDING A CLASSIFICATION	☐ REVISE SCHEDULE OF UNDERLYING
	☐ ADDING LOCATION	☐ DELETING A CLASSIFICATION	☐ AMENDING RATES
	☐ DELETING LOCATION	☐ CHANGING A CLASSIFICATION	☐ AMENDING MINIMUM PREMIUM
	☐ CHANGING LOCATION	☐ ADDING/DELETING LOSS PAYEE	☐ AMENDING LIMIT(S) OF LIABILITY
	☐ CHANGING POLICY PERIOD	☐ ADDING/DELETING MORTGAGEE	☐ ADDING INSURED
	☐ ADDING ENDORSEMENT(S)	☐ AMENDING PREMIUM BASIS/PROTECTION CLASS	
	P A R T B.	8E3769	
MISCELLANEOUS OUTDOOR STRUCTURES			
This endorsement modifies insurance provided under the following:			
BUILDING AND PERSONAL PROPERTY COVERAGE FORM			
SCHEDULE* Revised Limit Of Insurance \$50,000			
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations. The changes described herein apply only with respect to this endorsement. All provisions of the Policy apply unless modified by this endorsement.			
Under Section A. - Coverage, the following is added to Coverage Extensions: Miscellaneous Outdoor Structures You may extend the insurance that applies to Buildings to apply to miscellaneous outdoor structures not attached to a Building that are owned and used by you on the described premises. This extension only applies to the extent that the miscellaneous outdoor structure is not covered elsewhere in this policy. Subject to a \$50,000 limit per structure, unless a Revised Limit of Insurance is shown in the Schedule above, the most we will pay for all loss or damage in any one occurrence under this Extension is \$50,000. The Limit of Insurance provided by this endorsement is not part of or included within any Blanket limit under the policy. Payments under this Extension are in addition to the Limits of Insurance. The coverage provided under this endorsement does not supersede the Property Not Covered provision. The Coinsurance Additional Condition does not apply to this Coverage Extension.			

PREMIUM ADJUSTMENT				
Previous	Increase	Decrease	New	PREMIUM Due at Policy Change Effective Date ☒ Additional ☐ Return \$
Total Policy Premium \$			Total Policy Premium \$	
Total Installment Premium \$			Total Installment Premium \$	

Authorized Representative Signature

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES/EXTENSION SCHEDULE

Policy Change

This Endorsement forms a part of the policy numbered below:

Number _____

Policy Number		Policy Effective	Changes	Company	
Term Yrs.	From	To	☐ Subject to Audit		☐ Not Subject to Audit
Named Insured and Mailing Address			Producer		
			Producer No.		

IT IS AGREED THAT for any box in Part A marked X, the policy is amended as stated in Part B.

P A R T A.	☐ NAME OF INSURED	☐ DELETING ENDORSEMENT(S)	☐ AMENDING PREMIUM
	☐ ADDRESS OF INSURED INSURANCE	☐ ADDING A CLASSIFICATION	☐ REVISE SCHEDULE OF UNDERLYING
	☐ ADDING LOCATION	☐ DELETING A CLASSIFICATION	☐ AMENDING RATES
	☐ DELETING LOCATION	☐ CHANGING A CLASSIFICATION	☐ AMENDING MINIMUM PREMIUM
	☐ CHANGING LOCATION	☐ ADDING/DELETING LOSS PAYEE	☐ AMENDING LIMIT(S) OF LIABILITY
	☐ CHANGING POLICY PERIOD	☐ ADDING/DELETING MORTGAGEE	☐ ADDING INSURED
	☐ ADDING ENDORSEMENT(S)	☐ AMENDING PREMIUM BASIS/PROTECTION CLASS	
	P A R T B.	8E1965	
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.			
COLLEGES AND SCHOOLS DEDUCTIBLES			
This endorsement modifies insurance provided under the following:			
COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART			
A. It is agreed that in the event of any occurrence which results in a loss or "loss" under more than one Coverage, Coverage Form, or Coverage Part, the deductibles shall apply as described in B. or C. below.			
B. 1. If all involved deductibles are equal in amount, that amount will apply only once for all loss or "loss" from each occurrence.			
2. Loss or "loss" from each occurrence under all involved coverages will be accumulated to make up that deductible amount.			
C. If involved deductibles for different coverages are of different amounts, we will use the method described in C.1. or C.2. which results in the higher total payment to you.			
1. We will apply each deductible to the loss or			

“loss” for the coverage to which it applies; or
 2. We will add the amount of loss or “loss” from all involved coverages and subtract from the total the larger or largest applicable deductible.
 NOTE: The inclusion of particular coverages or deductible amounts in the examples below is for illustrative purposes only and should not be construed to be the exact coverages or deductible amounts actually provided under this policy.

EXAMPLE #1 (Same Deductibles)
 First Second Third
 Coverage Coverage Coverage
 Deductible Amount \$500 \$500 \$500
 One Occurrence
 Loss of: \$100 \$200 \$400 = \$700 total
 Less Deductible 500
 Company Pays \$200

EXAMPLE #2 (Varying Deductibles)
 First Second Third
 Coverage Coverage Coverage
 Deductible Amount \$250 \$2,500 \$5,000
 One Occurrence
 Loss of: \$700 \$3,000 \$3,000 = \$6,700
 Total Losses
 Method C.1.
 Company Pays -
 Excess of Deductible: \$450 \$500 Nil
 Total - Method C.1.= \$950
 Method C.2. - Total Losses \$6,700
 Less Largest Deductible 5,000
 Company Pays \$1,700
 Method C.2. provides larger payment to you and applies.

PREMIUM ADJUSTMENT

Previous	Increase	Decrease	New	PREMIUM Due at Policy Change Effective Date ☒ Additional ☐ Return \$
Total Policy Premium			Total Policy Premium	
\$	\$	\$	\$	
Total Installment Premium			Total Installment Premium	
\$	\$	\$	\$	

Authorized Representative Signature

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES/EXTENSION SCHEDULE

Policy Change

This Endorsement forms a part of the policy numbered below:

Number _____

Policy Number		Policy Effective	Changes	Company	
Term Yrs.	From	To	☐ Subject to Audit		☐ Not Subject to Audit
Named Insured and Mailing Address			Producer		
			Producer No.		

IT IS AGREED THAT for any box in Part A marked X, the policy is amended as stated in Part B.

P A R T A.	☐ NAME OF INSURED	☐ DELETING ENDORSEMENT(S)	☐ AMENDING PREMIUM
	☐ ADDRESS OF INSURED INSURANCE	☐ ADDING A CLASSIFICATION	☐ REVISE SCHEDULE OF UNDERLYING
	☐ ADDING LOCATION	☐ DELETING A CLASSIFICATION	☐ AMENDING RATES
	☐ DELETING LOCATION	☐ CHANGING A CLASSIFICATION	☐ AMENDING MINIMUM PREMIUM
	☐ CHANGING LOCATION	☐ ADDING/DELETING LOSS PAYEE	☐ AMENDING LIMIT(S) OF LIABILITY
	☐ CHANGING POLICY PERIOD	☐ ADDING/DELETING MORTGAGEE	☐ ADDING INSURED
	☐ ADDING ENDORSEMENT(S)	☐ AMENDING PREMIUM BASIS/PROTECTION CLASS	
	P A R T B.	It is agreed in the schedule of additional covered property, CP 1410, under prem no and bldg. no the schedule shall include, all covered property; under paragraph reference the schedule shall include, A.2.D; under description of property the schedule shall include, Bridges and walkways connecting covered buildings; and under type of property coverage the schedule shall include, building.	

PREMIUM ADJUSTMENT				
Previous	Increase	Decrease	New	PREMIUM Due at Policy Change Effective Date ☒ Additional ☐ Return \$
Total Policy Premium \$	\$	\$	Total Policy Premium \$	
Total Installment Premium \$	\$	\$	Total Installment Premium \$	

Authorized Representative Signature

POLICY NUMBER: 5175035

NAMED INSURED: FREEHOLD REGIONAL BOARD OF EDUCATION

ADDRESS: 11 PINE ST

ADDRESS:

CITY/ST/ZIP: ENGLISH TOWN, NJ 07726

POLICY AMENDMENT

This form changes the policy. Please read it carefully.

POLICY PERIOD: FROM 08-01-2021 TO 08-01-2022

CHANGE IS EFFECTIVE: 08-01-2021

It is agreed that the policy is amended as follows:

:

LOB	WRITTEN PREMIUM	PRIOR WRITTEN PREMIUM	WRITTEN PREMIUM CHANGE
CPP	\$466,634.00	\$0.00	\$466,634.00

This form may be used ONLY to amend the following:

Limit(s) of Insurance	Policy Period	Drivers	Location/Vehicle	Experience Rating	Forms/Endorsements
Insured Name/Address	Premium Basis	Audit Period	Protection Class	Additional Insureds	Classifications/Symbols
Loss Payee/Mortgagee	Rates/Premium	Deductible(s)	Minimum Premium	Discretionary Rating	Form of Business/Business Description

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHOOLS - LIMITED WATER DAMAGE COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

SCHEDULE FOR THIS COVERAGE

<u>LOCATION</u>	<u>LIMIT OF INSURANCE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>
ADMINISTRATION BUILDING	\$500,000	The greater of \$1,000 or the Commercial Property Deductible for the Location	\$2,851
HOWELL HIGH SCHOOL			
FREEHOLD HIGH SCHOOL			
FREEHOLD TWP HIGH SCHOOL			
MANALAPAN HIGH SCHOOL			
MARLBORO HIGH SCHOOL			
TRANSPORTATION BUILDING			
COLTS NECK HIGH SCHOOL			

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

Subject to the provisions below and the Limit of Insurance and Deductible for this coverage, part 1.c. of Section **C. LIMITATIONS OF CP 10 30, CAUSES OF LOSS - SPECIAL FORM**, is eliminated.

Only with respect to the coverage provided by this endorsement, Commercial Property Condition I. **TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US** is replaced by the following:

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMBINED DEDUCTIBLE FORM

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART.
COMMERCIAL PROPERTY COVERAGE PART.

- A.** It is agreed that in the event of any occurrence which results in a loss or "loss" under more than one Coverage, Coverage Form, or Coverage Part, the deductibles shall apply as described in **B.** or **C.** below.
- B.** 1. If all involved deductibles are equal in amount, that amount will apply only once for all loss or "loss" from each occurrence.
2. Loss or "loss" from each occurrence under all involved coverages will be accumulated to make up that deductible amount.
- C.** If involved deductibles for different coverages are of different amounts, we will use the method described in **C.1.** or **C.2.** which results in the higher total payment to you.
1. We will apply each deductible to the loss or "loss" for the coverage to which it applies; or
2. We will add the amount of loss or "loss" from all involved coverages and subtract from the total the larger or largest applicable deductible.

NOTE: The inclusion of particular coverages or deductible amounts in the examples below is for illustrative purposes only and should not be construed to be the exact coverages or deductible amounts actually provided under this policy.

EXAMPLE #1 (Same Deductibles)

	First Coverage	Second Coverage	Third Coverage	
Deductible Amount	\$500	\$500	\$500	
One Occurrence				
Loss of:	\$100	\$200	\$400 =	\$700 total
			Less Deductible	<u>500</u>
			Company Pays	<u>\$ 200</u>

EXAMPLE #2 (Varying Deductibles)

	First Coverage	Second Coverage	Third Coverage	
Deductible Amount	\$250	\$2,500	\$5,000	
One Occurrence				
Loss of:	\$700	\$3,000	\$3,000 =	\$6,700
			Total Losses	

Method C.1.

Company Pays -			
Excess of Deductible:	\$450	\$500	Nil
			Total - Method C.1.= \$950

Method C.2. -	Total Losses	\$6,700
	Less Largest Deductible	5,000
	Company Pays	\$1,700

Method C.2. provides larger payment to you and applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The changes described herein apply only with respect to this endorsement. All provisions of the Policy apply unless modified by this endorsement.

I. The Building And Personal Property Coverage Form is modified as follows:

A. The following are added to Additional Coverages under Section A. Coverage:

1. Equipment Breakdown

The term Covered Cause of Loss includes "equipment breakdown" as described and limited below.

- a. We will pay for direct physical loss or damage to Covered Property caused by an "equipment breakdown".
- b. If an initial "equipment breakdown" causes other "equipment breakdowns," all will be considered one "equipment breakdown". All "equipment breakdowns" that are the result of the same event will be considered one "equipment breakdown".

2. Perishable Goods

- a. We will pay for your loss of "perishable goods" due to the following:
 - (i) Spoilage; or
 - (ii) Contamination from the release of refrigerant, including but not limited to ammonia;
 - caused by an "equipment breakdown".
- b. We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- c. If you are unable to replace the "perishable goods" before their anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time the loss occurred less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

3. CFC Refrigerants

If an "equipment breakdown" occurs, we will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances.

Additional costs mean those in excess of what would have been required to repair or replace covered property, had no CFC refrigerant been involved. We also pay for additional loss as described under the Spoilage or Loss of Income Coverages provided by this endorsement, caused by the presence of a refrigerant containing CFC substances.

We will pay the lesser of:

- a. The cost to repair the damaged property and replace any lost CFC refrigerant;
- b. The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- c. The cost to replace the system with one using a non-CFC refrigerant.

4. Pollutant Clean-up And Removal

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

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

The most we will pay under this Additional Coverage for each described premises is \$250,000.

5. Temperature Fluctuation

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

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

The most we will pay for this Temperature Fluctuation is \$5,000 including any insurance provided for Business Income or Extra Expense.

6. Risk Improvement

If Covered Property suffers direct physical loss or damage due to an "equipment breakdown", we will pay for the insured to improve the "power quality" of the electrical system or equipment at the loss location where the "equipment breakdown" occurred. "Power quality" means the conditions that allow electrical systems or equipment to operate as intended by limiting voltage fluctuations and other power influences that would adversely affect the operational performance and/or reduce the reliability, or the life-span of the electrical system.

We will pay the reasonable extra cost to improve "power quality" for the following electrical systems and/or equipment improvements:

- a. Installation of surge protection devices (SPD's) which are installed at the loss location's line disconnect, load disconnect, or on specific pieces of equipment and that are certified by Underwriter Laboratories (UL) or has an equivalent certification.

However SPD's do not include any SPD's which are cord-connected surge strips, direct plug-in SPD's or receptacle SPD's;

- b. An upgrade and/or replacement of; electrical panels, switchgear and/or circuit breakers; or
- c. Electrical wire and wiring improvements which include installation of; flexible conduit, junction boxes and/or ground wiring.

We will not pay more than 10%, subject to a maximum limit of \$10,000, of the loss amount paid. An invoice for implementation of this Additional Coverage must be sent to us within 180 days after the payment of the loss is received.

7. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore the lost information on electronic media and records as a result of an "equipment breakdown".

The most we will pay for this Data Restoration is \$100,000.

8. Off-Premises Coverage

We will pay for loss or damage to Covered Property resulting from a covered "equipment breakdown" while temporarily at a premises or location that is not a described premises.

The most we will pay for this Off-Premises Coverage is \$25,000.

- B.** The following are added to **Coverage Extensions** under Section **A. Coverage** and apply for any Coinsurance percentage shown in the Declarations:

1. Service Interruption

The insurance provided for Business Income and Extra Expense, if shown in the Declarations as covered, and Perishable Goods and Data Restoration is extended to apply to loss caused by "equipment breakdown" to equipment that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks, data transmission or "cloud computing". The equipment must meet the definition of "equipment breakdown" except that it is not Covered Property

The most we will pay under this Extension for loss of Business Income and Extra Expense in any one occurrence is:

- a. The actual loss of Business Income you sustain; and
- b. The necessary Extra Expense you incur;

during the "period of restoration" that occurs within 12 consecutive months after the date of direct physical loss or damage.

2. Expediting Expenses

With respect to damaged Covered Property covered under Additional Coverages Equipment Breakdown, Perishable Goods and Electronic Data, we will pay the reasonable extra cost to:

- a. Make temporary repairs;
- b. Expedite permanent repairs; and
- c. Expedite permanent replacement.

C. The following is added to Section C. Limits Of Insurance:

Payments under the following Additional Coverages and Coverage Extension will not increase the applicable Limit of Insurance:

1. Equipment Breakdown;
2. Perishable Goods;
3. CFC Refrigerants;
4. Temperature Fluctuation;
5. Risk Improvement;
6. Data Restoration;
7. Off-Premises Coverage; and
8. Service Interruption.

II. Part B. Exclusions of the Causes Of Loss – Special Form is modified as follows:

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

However, if electrical Covered Property requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and Deductible shown in the Commercial Property Coverage Part Declarations.

B. As respects Equipment Breakdown Coverage, the last paragraph of Exclusion B.2.d. is replaced with the following:

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

C. As respects Equipment Breakdown Coverage, Exclusion B.2.i. is replaced with the following:

Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by "equipment breakdown". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in "equipment breakdown", we will pay for the loss or damage caused by that "equipment breakdown".

D. As respects Equipment Breakdown Coverage, Exclusions B.2.a., B.2.d.(6), and B.2.e., and Limitations C.1.a. and C.1.b. do not apply.

E. For the insurance provided under Equipment Breakdown Coverage, the following additional Exclusion applies.

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

1. The breakdown of any structure, foundation, cabinet, compartment or air supported structure or building.
2. The breakdown of any buried vessel or buried piping.
3. The breakdown of any vehicle, excavation or construction equipment.

F. As respects Service Interruption Coverage Extension, we will also not pay for loss or expense resulting from or arising out of "equipment breakdown" to any equipment that is located outside of a covered Building described in the Declarations caused by or resulting from "elemental perils".

However, for the property and services covered under **CP 1545**, if such endorsement is attached to this Coverage Part, this exclusion does not apply.

III. As respects Equipment Breakdown Coverage, the following are added to **Commercial Property Conditions**:

A. Suspension

When any Covered Property is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from "equipment breakdown" to that equipment. We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or to the address where the equipment is located.

Once suspended in this way, your insurance can be reinstated only by written notice from us. If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

B. Jurisdictional Inspections

If any Covered Property requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

C. Green Environmental And Efficiency Improvements

If Covered Property requires repair or replacement due to an "equipment breakdown":

1. We will pay:

- a. The lesser of the reasonable and necessary additional cost incurred by the Insured to repair or replace physically damaged Covered Property with equipment of like kind and quality which qualifies as "green". "Like kind and quality" includes similar size and capacity.
- b. The additional reasonable and necessary fees incurred by the Insured for an accredited professional certified by a "green organization" to participate in the repair or replacement of physically damaged Covered Property as "green".
- c. The additional reasonable and necessary cost incurred by the Insured for certification or recertification of the repaired or replaced Covered Property as "green".
- d. The additional reasonable and necessary cost incurred by the Insured for "green" in the removal, disposal or recycling of damaged Covered Property.

- e. The loss of Business Income (if covered by the policy to which this endorsement is attached) during the additional time required for repair or replacement of Covered Property, consistent with "green" in the coverages above.

2. We will not pay more than 150%, subject to a maximum limit of \$100,000, of what the cost would have been to repair or replace with equipment of like kind and quality inclusive of fees, costs, and any business interruption loss incurred as stated above.
3. These Commercial Property Conditions will be a part of, and not in addition to, the limit of liability per loss or any other sub-limits of liability of this policy.

4. This **Green Environmental And Efficiency Improvements Condition** does not cover any of the following:

- a. Stock, raw materials, finished goods, "production machinery", merchandise, electronic data processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which the Insured is legally liable, or personal property of others.
- b. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy.
- c. Any loss covered under any other section of this policy.
- d. Any cost incurred due to any law or ordinance with which the Insured was legally obligated to comply prior to the time of the "Equipment Breakdown".

D. Environmental, Safety and Efficiency Improvements

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

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

- IV. The Coinsurance Additional Condition and Agreed Value Optional Coverage**, if otherwise applicable, do not apply for loss covered under this Equipment Breakdown Coverage endorsement.
- V. The following definitions are added:**
- A.** "Cloud computing" means on-demand network access to a shared pool of computing resources via networks, servers, storage, applications and services provided by an organization with whom you have a contract with using the following service models: Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS) on the following deployment models: public cloud, community cloud, hybrid cloud and private cloud.
 - B.** "Elemental perils" means the following:
Fire (including fire resulting from an "equipment breakdown"), lightning; explosion (except for steam or centrifugal explosion); windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; falling objects; and weight of snow, ice or sleet.
 - C.** "Equipment breakdown" means:
 - 1. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - 2. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - 3. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - 4. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - 5. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
 - D.** "Green" means materials, equipment, supplies, products, techniques, methods procedures and processes that:
 - 1. Enhance and protect ecosystems;
 - 2. Improve air and water quality;
 - 3. Conserve natural resources;
 - 4. Reduce solid waste;
 - 5. Reduce energy or water consumption;
 - 6. Prevent toxic or other polluting emissions; or
 - 7. Otherwise lessen the environmental impact.
 - E.** "Green Organization" means a recognized authority on green building or green products, equipment, materials, methods, procedures or processes including, but not limited to:
 - 1. The United States Environmental Protection Agency ENERGY STAR® program;
 - 2. The United States Green Building Council LEED® program;
 - 3. The Green Building Initiative Green Globes™ program; or
 - 4. Any environmental standards program that is adopted by the government of the United States, or any U.S. state.
 - F.** "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
 - G.** "Production machinery" means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPOILAGE COVERAGE

(Supplements Equipment Breakdown Coverage)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Schedule

Prem. <u>No.</u>	Bld <u>g</u> <u>No.</u>	<u>Description</u> <u>of Property</u>	<u>Limit of</u> <u>Insurance</u>	Deductible \$100 each occurrence unless otherwise <u>indicate</u>	Refrigeration Maintenance <u>Agreement</u>
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(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The Coverage Form to which this endorsement applies is extended to insure against direct physical loss of or damage to Covered Property by the Covered Causes of Loss, but only with respect to coverage provided by this endorsement.

A. Paragraph A.1. Covered Property, is replaced by the following:

1. Covered Property

Covered Property means "perishable goods" in your care, custody, or control at the described premises. Such property may be owned by you or by others.

B. The following is added to Paragraph A.2. Property Not Covered:

Property located:

- (1) On buildings;
- (2) In the open; or
- (3) In vehicles.

C. Paragraph A.3. Covered Causes Of Loss, is replaced by the following:

3. Covered Causes Of Loss

Covered Causes of Loss means direct physical loss of or damage from:

- a. Breakdown or Contamination, meaning:
 - (1) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
 - (2) Contamination by the refrigerant.
- b. Power Outage, meaning change in temperature or humidity resulting from

complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

D. Paragraph A.5. Coverage Extensions, does not apply.

E. Paragraph B. Exclusions (and Limitations) is replaced by the following:

B. Exclusions

- 1. Only the following Exclusions in **B.1.** of the Causes of Loss - Special Form apply to the Spoilage Coverage endorsement:
 - a. Earth Movement;
 - b. Governmental Action;
 - c. Nuclear Hazard;
 - d. War And Military Action; and
 - e. Water.
- 2. As respects Spoilage Coverage, the following Exclusions are added:
We will not pay for loss or damage caused by or resulting from:
 - a. The disconnection of any refrigerating, cooling, or humidity control system from the source of power.
 - b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.

- c. The inability of an Electric Utility Company or other power source to provide sufficient power due to:
 - (1) Lack of fuel; or
 - (2) Governmental order.
 - d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
 - e. Breaking of any glass that is a permanent part of any refrigerating, cooling, or humidity control unit.
 - f. "Equipment breakdown."
- F. Paragraph D. Deductible,** is replaced by the following:
- We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.
- G. The following is added to the Valuation Loss Condition:**
- We will determine the value of finished "perishable goods" in the event of loss or damage at:
- 1. The selling price, as if no loss or damage had occurred, on those "perishable goods" you would otherwise have sold during the "period of restoration," less discounts and expenses you otherwise would have had; or
 - 2. The replacement cost of other "perishable goods."
- H. Paragraph F. Additional conditions,** is replaced by the following:
- Additional Condition**
- The following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.
- Refrigeration Maintenance Agreements**
- If a refrigeration maintenance agreement is shown as applicable (denoted by "yes" in the Schedule of this endorsement) the following applies:
- You must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate this agreement and do not notify us, the insurance provided by this endorsement will be automatically suspended at the involved location.
- I. Paragraph G. Optional Coverages,** does not apply.
- J. The following are added to Paragraph H. Definitions:**
- 1. "Equipment breakdown" means:
 - a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - b. Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not include mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment;
 - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
 - 2. "Period of restoration" means the period of time that:
 - a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the date when the property at the described premises should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

 - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) Regulates the prevention, control, repair, clean-up, or restoration of environmental damage.

The expiration date of this policy will not cut short the "period of restoration."
 - 3. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRISIS EVENT EXPENSE COVERAGE

This endorsement modifies insurance provided under the following if included in this policy:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE*

Revised Limits	
Business Income And Extra Expense Aggregate Limit	\$300000
Crisis Event Aggregate Limit	\$1000000
Each Person Crisis Event Limit	\$25000

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

The changes described herein apply only with respect to this endorsement. All provisions of the Policy apply unless modified by this endorsement. This endorsement only covers Business Income and certain expenses because of a "crisis event". This endorsement does not provide any liability coverage or coverage for the cost or expense of defending any claim or suit.

- I. If the Commercial Property Coverage Part is attached, the following changes apply to the Business Income (And Extra Expense) Coverage Form:
 - A. **Covered Causes Of Loss** means a "crisis event".
 - B. We will pay for the actual loss of Business Income you sustain and Extra Expense you incur due to the necessary "suspension" of your "operations" because of a "crisis event" which occurs at a premises described in the Declarations. Unless a higher Business Income and Extra Expense Aggregate Limit is shown in the Schedule, the most we will pay under this coverage is \$50,000 per policy term. Regardless of the number of "crisis events", the Business Income and Extra Expense Aggregate Limit is the most we will pay for the total of all loss of Business Income and Extra Expense arising out of all "crisis events" which take place in a 12-month period (starting with the beginning of the present annual policy period).
 - C. This coverage begins on the date of the "crisis event" and ends on the earlier of:
 1. 60 consecutive days after the date of the "crisis event"; or
 2. The date you restore "operations" at the described premises to the level that would have existed had no covered "crisis event" occurred.The 72-hour time period in the definition of "period of restoration" does not apply.
 - D. Any coverage for Extra Expense does not apply to "individual crisis event expenses" or "institutional crisis event expenses" due to a "crisis event".
 - E. Under **Loss Conditions**, your duties described under **Duties In The Event Of Loss** also apply to a "crisis event".
- II. In the Commercial General Liability Coverage Form:
 - A. The following Supplemental Coverage is added to Section I - **Coverages**:

Limited Crisis Event Expense Coverage

1. Insuring Agreement

- a. At your request, we will pay for "individual crisis event expenses" and "institutional crisis event expenses" due to a "crisis event" to which this insurance applies. Regardless of your legal liability, this insurance applies to a "crisis event" which occurs:

- (1) During the policy period;
- (2) At a premises you own, rent or occupy including the area within 1,000 feet of that premises; and
- (3) During the course and scope of your normal business activities.

2. Exclusions

In addition to all exclusions or limitations applicable to the Commercial General Liability Coverage Form, the following additional exclusions apply:

This insurance does not apply to:

- a. Any loss, damage, "individual crisis event expenses" or "institutional crisis event expenses" caused directly or indirectly by any actual or alleged nuclear reaction, nuclear radiation, radioactive contamination, or radioactive substance.
- b. "Individual crisis event expenses" or "institutional crisis event expenses" incurred by the perpetrator(s) of the "crisis event".
- c. "Individual crisis event expenses" or "institutional crisis event expenses" incurred by any law enforcement, emergency services, or other civil authority personnel or agency that responded to the "crisis event".
- d. "Property damage" including any consequential loss or loss of use of that property or loss of use of tangible property that is not physically injured.
- e. Any legal fees, costs, judgments, or settlements.
- f. Medical Payments Coverage or other medical expenses that are provided without regard to fault, whether or not provided by the Coverage Form to which this endorsement is attached.

3. Limits of Insurance

- a. Unless higher limits are shown in the Schedule, the Crisis Event Aggregate Limit is \$250,000. The Crisis Event Aggregate Limit is the most we will pay for the total of all "individual crisis event expenses" and "institutional crisis event expenses" arising out of all "crisis events" during the policy period.

The Crisis Event Aggregate Limit applies 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 aggregate limit of insurance.*

*In New York, the Crisis Event Aggregate Limit will be increased in proportion to any policy extension provided.

- b. Subject to a. above, unless a higher Each Person Crisis Event Limit is shown in the Schedule, the most we will pay for all "individual crisis event expenses" sustained by any one person is \$25,000.

4. Death Benefit

Subject to the applicable Limits of Insurance above, upon the death of any person caused by a "crisis event" to which this coverage applies, the Company will pay to the estate of such person a death benefit of \$15,000.

*This coverage does not apply in Illinois.

- B. Under Section I - **Coverages**, the following is added as the final paragraph of **Coverage C Medical Payments**:

Medical Payments coverage does not apply to "individual crisis event expenses" or "institutional crisis event expenses" due to a "crisis event".

- C. The following changes apply to Section IV - **Commercial General Liability Conditions**:

1. **Duties In The Event Of Occurrence, Claim Or Suit** is replaced by the following:

Duties In The Event Of A Crisis Event

- a. You must see to it that we are notified as soon as practicable of any "crisis event". To the extent possible, notice should include:

- (1) How, when and where the "crisis event" took place; and
- (2) The names and addresses of the involved person(s) and any witnesses.

You must see to it that we receive written notice of the "crisis event" as soon as practicable.

- b. You and any other involved insured must:

- (1) Immediately send us copies of pertinent correspondence received in connection with the "crisis event";
- (2) Authorize us to obtain records and other information; and
- (3) Cooperate with us in our investigation of the "crisis event".

2. The following Conditions are added:

a. Payment Of Claim

Any payment under this coverage is not an admission of liability by any insured or us.

b. Proof Of Claim And Expenses

Upon request by the Company, any person making a claim for benefits under this coverage or that person's assignee or representative must:

- (1) Execute a written proof of claim under oath including full particulars of the nature and extent of the injuries and treatment received and contemplated;
- (2) As may reasonably be required submit to examinations under oath by any person named by the company and subscribe the same;
- (3) Provide authorization that will enable the Company to obtain medical records;
- (4) Provide any other pertinent information that may assist the Company in determining the amount due and payable; and

- (5) Submit to medical examination, at our expense, by physicians of our choice as often as we reasonably require.

- III. The following definitions apply to the coverage provided by this endorsement:

- A. "Individual crisis event expenses" means those reasonable and necessary expenses listed below that are directly due to and incurred because of a covered "crisis event":

1. First aid or emergency care at the time of the "crisis event";
2. Ambulance, hospital, medical, surgical, nursing, X-Ray and dental services, including prosthetic devices;
3. Professional individual counseling services for up to 60 days after a "crisis event"; or
4. Funeral expenses.

- B. "Institutional crisis event expenses" means those reasonable and necessary expenses listed below that are incurred by the Named Insured and directly due to and incurred because of a covered "crisis event":

1. Fees paid to an independent public relations agency;
2. Fees paid to an independent security services agency;
3. Additional transportation costs; or
4. Professional group counseling services. Coverage for these expenses applies for up to 60 days after the "crisis event".

- C. "Crisis event" means:

1. The intentional, unlawful:
 - a. Causing or threat to cause "bodily injury" to another person or persons; or
 - b. Holding or threat to hold another person or persons hostage under the threat of causing them "bodily injury";which results in response and intervention by a law enforcement agency to suppress, control, and conclude the disturbance.
2. Any other man-made emergency situation that requires response, intervention, management or direction by a governmental or civil authority.

However, except for food-borne or water-borne illnesses, "crisis event" does not include the actual, alleged or threatened transmission of any communicable or infectious disease or illness.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE AND VOLCANIC ERUPTION DEDUCTIBLE CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The changes described herein apply only with respect to this endorsement. All provisions of the Policy apply unless modified by this endorsement.

Property Damage Deductible

1. This endorsement is applicable to all Coverage Forms except:
 - a. Business Income (And Extra Expense) Coverage Form;
 - b. Business Income (Without Extra Expense) Coverage Form;
 - c. Extra Expense Coverage Form.
2. The Deductible, if any, in this Coverage Part is replaced by the following with respect to Earthquake and Volcanic Eruption:
 - a. **All Policies**
 - (1) The Deductible provisions apply to each Earthquake or Volcanic Eruption.
 - (2) The amount we subtract will be a dollar amount as shown in the Earthquake - Volcanic Eruption Coverage Schedule.
 - (3) We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance.
 - (4) When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the dollar amount as shown in the Earthquake - Volcanic Eruption Coverage Schedule.
 - (5) If there is loss or damage caused by Earthquake or Volcanic Eruption, and loss or damage caused by a Cause of Loss (e.g., fire) that is covered by means of an exception to the Earth Movement Exclusion, then the only applicable Deductible provisions are those stated in this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED BACKUP OF SEWERS OR DRAINS COVERAGE (NOT FLOOD - RELATED)

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

SCHEDULE*

Revised Limit of Insurance \$ 1,000,000

Coverage Includes Loss of Business Income and Extra Expense

☐

Premises No.
ALL

Building No.
ALL

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

With respect to coverage provided by this endorsement, the provisions of the Coverage Form(s) apply unless modified by the endorsement.

- A.** With respect to the premises identified in the Schedule, we will pay for direct physical loss or damage solely caused by or resulting from water or waterborne material that backs up through or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. However, the coverage provided by this endorsement is not flood insurance and does not apply to any loss or damage that is induced by or caused directly or indirectly by flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge) regardless of whether any of the above is caused by an act of nature or is otherwise caused.
For the purpose of this endorsement, the term drain includes a roof drain and related fixtures.
- B.** If the Schedule shows that Coverage Includes Loss of Business Income and Extra Expense, then what we will pay under Paragraph **A.** is modified to include the actual loss of Business Income and Extra Expense you sustain caused by or resulting from damage to Covered Property covered by this endorsement.
- C.** Unless a Revised Limit of Insurance is shown in the Schedule, the most we will pay in any one occurrence for each premises identified in the Schedule is \$10,000.
Such Limit is part of, not in addition to, the Limit of Insurance applicable to the Covered Property, Business Income or Extra Expense.
- D.** Only with respect to the insurance provided by this endorsement, to the extent that part **(3)** of the Water Exclusion in the Causes of Loss Form applicable to this coverage part conflicts with the coverage provided by this endorsement, that part does not apply.
- E.** If any excluded cause or event contributes concurrently or in any sequence to the loss, we will not pay for the loss caused directly or indirectly by such excluded cause or event under this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**THEFT OF BUILDING MATERIAL AND SUPPLIES -
NEWLY CONSTRUCTED BUILDINGS**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

Only with respect to the coverage provided by this endorsement, any limitation in the Causes of Loss form applicable to this Coverage Part for Building materials and supplies not attached as part of the building or structure caused by or resulting from theft does not apply to your new buildings while being built on the described premises.

The most we will pay under this endorsement is \$100,000.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
CAUSES OF LOSS - BASIC FORM
CAUSES OF LOSS - BROAD FORM
CAUSES OF LOSS - SPECIAL FORM

- A.** The following exclusion is added to Paragraph **B. Exclusions** in the Causes of Loss form applicable to this Coverage Part:

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

Cyber Incident

1. Unauthorized access to or use of any computer system (including electronic data).
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage(s)

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

- a. Additional Coverage - Electronic Data; or
- b. Additional Coverage - Interruption Of Computer Operations;

3. The exclusion in Paragraph **A.** does not apply to loss or damage to electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

C. Vandalism

The following is added to Vandalism, if Vandalism coverage is not otherwise excluded under the Causes of Loss form applicable to this Coverage Part:

Vandalism does not include a cyber incident as described in Paragraph **A.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.



UTICA NATIONAL INSURANCE GROUP

REPUBLIC FRANKLIN INSURANCE CO.
180 GENESEE STREET
NEW HARTFORD, NY 13413

U0114
USI INS SERVICES LLC
180 PARK AVE, SUITE 102
FLORHAM PARK, NJ 07932
(973)315-0400

POLICY NUMBER: CPP 5175035

NAMED INSURED: FREEHOLD REGIONAL BOARD OF EDUCATION

ADDRESS: 11 PINE ST
ENGLISH TOWN, NJ 07726

FORM OF BUSINESS:

BUSINESS DESCRIPTION: Kindergarten - High School Public

POLICY PERIOD: FROM 08-01-2021 TO 08-01-2022 12:01 A.M. Standard Time at your address shown above.

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

COMMERCIAL GENERAL LIABILITY COVERAGE PART – DECLARATIONS

LIMITS OF INSURANCE

General Aggregate Limit (Other Than Products-Completed Operations):	\$ 3,000,000
Products-Completed Operations Aggregate Limit:	\$ 3,000,000
Personal and Advertising Injury Limit:	\$ 1,000,000
Each Occurrence Limit:	\$ 1,000,000
Damage To Premises Rented To You Limit:	\$ 1,000,000
Medical Expense Limit (Any One Person):	\$ 10,000

LOCATIONS OF ALL PREMISES OTHER THAN THE ADDRESS SHOWN ABOVE WHICH YOU OWN, RENT OR OCCUPY ARE LISTED ON COMMERCIAL GENERAL LIABILITY DECLARATIONS - CONTINUED

**FORMS AND ENDORSEMENTS APPLYING
TO THIS COVERAGE PART:**

ADVANCE PREMIUM: \$ 252,743

NJ-Property - Liability \$ 1,516
Insurance Guaranty
Association Surcharge

TOTAL ADVANCE PREMIUM: \$ 254,259

Authorized Representative

CPP GL 01 5175035

The following spaces preceded by an asterisk (*) need not be completed if this Coverage Part and the Policy have the same effective date.

**ATTACHED TO AND FORMING
PART OF POLICY NO.
CPP 5175035**

***EFFECTIVE DATE
OF COVERAGE FORM
08-01-2021**

***ISSUED TO**

*POLICY PERIOD: FROM 08-01-2021

TO 08-01-2022

At 12:01 A.M. Standard Time at your
mailing address shown above

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

EMPLOYEE BENEFIT PROGRAMS LIABILITY COVERAGE PART DECLARATIONS

	LIMITS OF INSURANCE	
EACH LOSS	\$1,000,000	
AGGREGATE LIMIT	\$3,000,000	For Each Annual Policy Year
DEDUCTIBLE	\$1,000	Each Loss (Per Deductible Provision in Section IV Of the Coverage Form)

RETROACTIVE DATE: 08-01-2006

This insurance does not apply to wrongful acts which took place before the Retroactive Date, if any, shown above.
No Retroactive Date applies if "None" appears above.

ADVANCE PREMIUM

Number of Employees	Rate per Employee	Estimated Advance Premium
First 5,000		
Next 5,000		
Over 10,000		
Minimum Premium	Total Estimated Advance Premium	\$295

OPTIONAL EXTENDED REPORTING PERIOD PREMIUM (if applicable)

In Section VI - Extended Reporting Periods, we agree to provide an Optional Extended Reporting Period under certain conditions. The estimated premium for such an Optional Extended Reporting Period is: \$159

OTHER APPLICABLE FORMS AND ENDORSEMENTS ☐:


(Authorized Representative)

**

☐ Forms and endorsements applicable to this Coverage Part omitted if shown elsewhere in the policy.

** Entry optional if shown in Common Policy Declarations.

THESE DECLARATIONS AND THE POLICY DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

**The Coverage Form which provides Employee Benefit Programs Liability Coverage
applies on a claims-made basis.**

The following provides a general description of this coverage and is subject to the terms and provisions of the actual Coverage Form.

- A.** The Coverage Form will not apply to any losses from wrongful acts which take place before the Retroactive Date, if any, or after the expiration of the policy period.
- B.** The Coverage Form will apply to losses from wrongful acts which take place after the Retroactive Date, if any, but before the beginning of the policy period **only if** the insured did not know of the incident before the beginning of the policy period **and** if any claim is made according to **D.** below.
- C.** The Coverage Form will not apply to any loss for which claim is first made after the expiration of the policy period or any Automatic or Optional Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Form.
- D.** The Coverage Form will apply only to claims which are first made:
 - 1.** During the policy period;
 - 2.** During the ninety (90) day Automatic Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Form;
 - 3.** During the five year Automatic Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Form for claims arising out of incidents reported, under the policy provision, no later than ninety (90) days after the end of the policy period; or
 - 4.** During the Optional Extended Reporting Period of unlimited duration described in the Extended Reporting Period Section of the Coverage Form.
 - a.** We will send you a written notice within thirty (30) days after any termination of coverage of costs for and provisions of Extended Reporting Periods.
 - b.** The Optional Extended Reporting Period must be requested by the insured in writing, by the later of ninety (90) days after the termination of coverage or thirty days after the date of mailing of the company's notice to the insured of costs for and provisions of Extended Reporting Periods, in order to allow claims to be made against the policy coverage after the expiration of any Automatic Extended Reporting Period.
- E.** For the first three years of claims-made coverage, premium will be comparatively lower than for occurrence coverage, and will increase for each renewal of those policies. Claims-made prices will still be somewhat lower than occurrence prices for mature accounts (in their fourth or later years). The purchase of Optional Extended Reporting Periods, as described above, requires additional premium payments.

COMPANY NAME : REPUBLIC FRANKLIN INSURANCE CO.
Policy No.: CPP 5175035
Renewal of No.:

EMPLOYMENT-RELATED PRACTICES LIABILITY INSURANCE DECLARATIONS
(CLAIMS-MADE BASIS)

ANY "DEFENSE COSTS" PAID UNDER THIS COVERAGE PART WILL REDUCE THE AVAILABLE LIMITS OF INSURANCE AND MAY EXHAUST THEM COMPLETELY. SUCH COSTS WILL ALSO BE APPLIED AGAINST ALL APPLICABLE RETENTION AMOUNTS. IF THE LIMIT OF INSURANCE IS EXHAUSTED, THE INSURER WILL HAVE NO FURTHER LIABILITY FOR "DEFENSE COSTS," JUDGMENTS OR SETTLEMENTS.

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

SCHEDULE

LIMITS OF INSURANCE:

Policy Aggregate Limit	\$1,000,000
Each "Claim" Limit	\$1,000,000

RETENTION AMOUNT:

Each "Claim"	\$10,000
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COINSURANCE PARTICIPATION: 0 %

Subject To A Maximum Of: \$0

Each "Claim" \$10,000

RETROACTIVE DATE: 08-01-2006

This Insurance does not apply to "claims" for "employment-related practices" which took place before the Retroactive Date, if any, shown herein: Retroactive Date:

(Enter Date or "None" if no Retroactive Date applies.)

OPTIONAL EXTENDED REPORTING PERIOD PREMIUM

In Section VII - EXTENDED REPORTING PERIODS, we agree to provide an Optional Extended Reporting Period under certain conditions. The premium for such an Optional Extended Reporting Period is:

\$15,839.28	12 Months	\$23,465.60	24 Months	\$30,798.60	36 Months
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ADVANCE PREMIUM:

Total Advance Premium \$ 29,332.00

Policy Writing Minimum Premium

FORMS AND ENDORSEMENTS

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of Issue:


Authorized Representative

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS (EXCEPT FOR E. & F.), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

SEE OVER FOR IMPORTANT CLAIMS-MADE COVERAGE NOTICE

The Coverage Form which provides Employment-Related Practices Liability Coverage applies on a claims-made basis.

The following provides a general description of this coverage and is subject to the terms and provisions of the actual Coverage Form. Terms in quotation marks are defined in the Coverage Form.

- A. The Coverage Form, subject to its terms and conditions, provides full prior acts coverage if no Retroactive Date is entered in the Declarations. If a Retroactive Date is entered in the Declarations, the Coverage Form will not apply to "claims" for "employment-related practices" which took place before the Retroactive Date. The Coverage Form will not apply to "claims" for "employment-related practices" which take place after the expiration of the "policy period."
- B. The Coverage Form will apply to "claims" for "employment-related practices" which took place on or after the Retroactive Date, if any, but before the beginning of the "policy period" **only if** any "claim" is made according to D. below.
- C. The Coverage Form will not apply to any "employment-related practice" for which "claim" is first made after the expiration of the "policy period" or any Automatic or Optional Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Form.
- D. The Coverage Form will apply only to "claims" which are first made:
 - 1. During the "policy period";
 - 2. During the sixty day Automatic Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Form;
 - 3. During the five year Automatic Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Form for "claims" arising out of "employment-related practices" reported, under the policy provisions, no later than sixty days after the end of the "policy period"; or
 - 4. During the 12 month, 24 month or 36 month Optional Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Form. Such Optional Extended Reporting Period must be requested by the first Named Insured in writing, by the later of sixty days after the date of "termination of coverage," or thirty days after the date of mailing by us of notice to the first Named Insured advising of premiums for and provisions of the Optional Extended Reporting Periods, in order to allow "claims" to be made against the policy coverage after the expiration of any Automatic Extended Reporting Period.
- E. We will send to the first Named Insured shown in the Declarations a written notice, within thirty days after any notice of "termination of coverage," of the premiums for and provisions of the Extended Reporting Periods, unless we cancel for nonpayment of premium or fraudulent activities of an insured.
- F. For the first three years of claims-made coverage, premiums will be comparatively lower than for occurrence coverage, and will increase for each renewal of those policies. Claims-made prices will still be somewhat lower than occurrence prices for mature accounts (in their fourth or later years). The purchase of Optional Extended Reporting Periods, as described above, requires additional premium payments.

COMMERCIAL GENERAL LIABILITY DECLARATIONS - CONTINUED

POLICY NUMBER: CPP 5175035

Item No.	Locations/Classifications	Code No. St.-Terr.	Premium Basis	Rates		Advance Premium	
				OTHER	PR/CO	OTHER	PR/CO
001A	Grandstands or Bleachers - Not-For-Profit only	44194 NJ-517	GRANDST ANDS 12	PER GRANDSTAND 407.159	.000	\$ 4,642	\$ 0
002A	Schools - public - high	47473 NJ-517	PUPILS 9800	PER PUPIL 16.549	.000	\$ 154,069	\$ 0
001B	8D1848 Abuse or Molestation Liability Coverage Form					\$ 32,153	
002B	8E4182 Your Investigation and Public Relations Expenses Abuse or Molestation Liability Coverage Form (Including Sexual Misconduct or Sexual Molestation)					\$ 100	
003B	8D1014 Employee Benefit Programs Liability Coverage Form					\$ 295	
004B	8D2636 Employment Related Practices Liability Coverage Form					\$ 29,332	
005B	8D1213 School District and Educators Legal Liability Coverage Form					\$ 28,029	
006B	8E1979 Limited Pollution Coverage Extension					\$ 251	
007B	CG 00 01 Damage to Premises Rented to you					\$ 0	
009B	8E1657 Additional Defense Coverage					\$ 2,103	
010B	8E3633 Crisis Event Expense Coverage					\$ 722	
011B	8C4117 Cyber Suite Coverage					\$ 1,047	

Total Advance Other and PR/CO | \$ 252,743 | \$ 0

ITEM LETTER CODE
A=HAZARD
B=FORM
C=FLAT CHARGE

TOTAL ADVANCE PREMIUM | \$ 252,743

**SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY
INSURANCE DECLARATIONS (FOR EDUCATIONAL INSTITUTIONS)
(CLAIMS-MADE BASIS)**

(For Attachment to a Liability or Package Policy)

The following spaces preceded by an asterisk (*) need not be completed if this Coverage Form and the Policy have the same inception date.

ATTACHED TO AND FORMING PART OF POLICY NO. CPP 5175035	*EFFECTIVE DATE OF COVERAGE FORM 2021-08-01	*ISSUED TO FREEHOLD REGIONAL BOARD OF EDUCATION, 11 PINE ST , ENGLISHTOWN , NJ , 07726
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IN RETURN FOR PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

SCHEDULE		
COVERAGE	LIMITS OF INSURANCE	
Legal Liability	\$1,000,000	Each "Loss"
	\$3,000,000	Aggregate For Each Annual Policy Year
Retained Amount	\$10,000	Each "Loss"
Coinsurance: Participation Percentage	0%	
Maximum Participation Amount		
\$0	Each "Loss"	
\$	Aggregate For Each Annual Policy Period	
RETROACTIVE DATE		
This insurance does not apply to "loss" from "wrongful acts" which took place before the Retroactive Date, if any, shown below:		
Retroactive Date: 2006-08-01		
(Enter Date or "None" if no Retroactive Date applies)		
OPTIONAL EXTENDED REPORTING PERIOD PREMIUM		
In Section VII - EXTENDED REPORTING PERIODS, we agree to provide an Optional Extended Reporting Period under certain conditions. The premium for such an Optional Extended Reporting Period is: \$ 15136		
ADVANCE PREMIUM		
Total Advance Premium \$28029		
Premium shown is payable* \$	\$28,029 at inception; \$	1st Anniversary; \$ 2nd Anniversary
FORMS AND ENDORSEMENTS		
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of Issue**:		

Company Officer*: Shannon C Peck

*Entry optional if shown in Common Policy Declarations.

**Forms and Endorsements applicable to this Coverage Part omitted if shown elsewhere in the policy.

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

**The Coverage Form which provides School District and Educators Legal Liability Coverage
applies on a claims-made basis.**

The following provides a general description of this coverage and is subject to the terms and provisions of the actual Coverage Form.

- A.** The Coverage Form will not apply to any losses from incidents which take place before the Retroactive Date, if any, or after the expiration of the policy period.
- B.** The Coverage Form will apply to losses from incidents which take place after the Retroactive Date, if any, but before the beginning of the policy period **only if** the insured did not know of the incident before the beginning of the policy period **and** if any claim is made according to D. below.
- C.** The Coverage Form will not apply to any loss for which claim is first made after the expiration of the policy period or any Automatic or Optional Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Form.
- D.** The Coverage Form will apply only to claims which are first made:
 - 1. During the policy period;
 - 2. During the ninety day Automatic Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Form;
 - 3. During the five year Automatic Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Form for claims arising out of incidents reported, under the policy provisions, no later than 90 days after the end of the policy period; or
 - 4. During the Optional Extended Reporting Period of unlimited duration described in the Extended Reporting Period Section of the Coverage Form;
 - a.** We will send to you a written notice within thirty days after any termination of coverage of costs for and provisions of Extended Reporting Periods.
 - b.** The Optional Extended Reporting Period must be requested by the insured in writing, by the later of sixty days after the termination of coverage or thirty days after the date of mailing of the company's notice to the insured of costs for and provisions of Extended Reporting Periods, in order to allow claims to be made against the policy coverage after the expiration of any Automatic Extended Reporting Period.
- E.** For the first three years of claims-made coverage, premium will be comparatively lower than for occurrence coverage, and will increase for each renewal of those policies. Claims-made prices will still be somewhat lower than occurrence prices for mature accounts (in their fourth or later years). The purchase of Optional Extended Reporting Periods, as described above, requires additional premium payments.

Issuing Company: REPUBLIC FRANKLIN INSURANCE CO.

A MEMBER OF UTICA NATIONAL INSURANCE GROUP

ABUSE OR MOLESTATION LIABILITY COVERAGE PART (INCLUDING SEXUAL MISCONDUCT OR SEXUAL MOLESTATION)

(For Attachment to a Liability or Package Policy)

The following spaces preceded by an asterisk (*) need not be completed if this Coverage Form and the Policy have the same inception date.

ATTACHED TO AND FORMING PART OF POLICY NO. CPP 5175035	*EFFECTIVE DATE OF COVERAGE FORM 08-01-2021	*ISSUED TO
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ADDITIONAL DECLARATIONS

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

SCHEDULE			
COVERAGE	LIMITS OF LIABILITY		
Legal Liability	\$1,000,000	Each Loss	
	\$3,000,000	Annual Aggregate	
ADVANCE PREMIUM			
Total Advance Premium \$32,153			
Premium shown is payable** \$32,153	at inception; \$	1st Anniversary; \$	2nd Anniversary
FORMS AND ENDORSEMENTS			
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue+:			

**

Countersigned:**

Date:

By



Company Officer

**Entry optional if shown in Common Policy Declarations.

+ Forms and Endorsements applicable to this Coverage Part omitted if shown elsewhere in the policy.

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

CYBER SUITE DECLARATIONS

THE DATA COMPROMISE LIABILITY, NETWORK SECURITY LIABILITY, AND ELECTRONIC MEDIA LIABILITY COVERAGES APPLY ON A DEFENSE WITHIN LIMITS BASIS. ANY DEFENSE COSTS PAID WILL REDUCE THE AVAILABLE LIMIT OF INSURANCE AND MAY EXHAUST IT COMPLETELY. DEFENSE COSTS WILL ALSO BE APPLIED AGAINST THE DEDUCTIBLE.

NO COVERAGE IS PROVIDED FOR CLAIMS ARISING OUT OF ANY PERSONAL DATA COMPROMISE, COMPUTER ATTACK, NETWORK SECURITY INCIDENT, ELECTRONIC MEDIA INCIDENT, IDENTITY THEFT, OR WRONGFUL ACTS WHICH TOOK PLACE PRIOR TO THE COVERAGE TERM.

LIMITS OF INSURANCE	
Cyber Suite Aggregate Limit \$	250000
Deductible:	\$ 2500 Per Occurrence
Identity Recovery Aggregate Limit:	\$25,000 Per Identity Recovery Insured
FIRST PARTY SUBLIMITS - PER OCCURRENCE	
1 st Party Named Malware	\$50,000
Forensic IT Review:	\$125000
Legal Review:	\$125000
Data Compromise Public Relations:	\$5,000
Payment Card Industry Standards:	\$125000
Loss of Business:	\$125000
Computer Attack And Cyber Extortion Public Relations:	\$5,000
Cyber Extortion:	\$25000
THIRD PARTY SUBLIMITS - PER OCCURRENCE	
3 rd Party Named Malware	\$50,000
IDENTITY RECOVERY SUBLIMITS	
Lost Wages / Child and Elder Care Expenses:	\$5,000
Mental Health Counseling:	\$1,000
Miscellaneous Unnamed Costs:	\$1,000
OPTIONAL EXTENDED REPORTING PERIOD PREMIUM	
Under Section F. - Extended Reporting Periods , we agree to provide an Optional Extended Reporting Period under certain conditions. The premium for this Optional Extended Reporting Period is determined as shown in paragraph 2. of Section F..	
FORMS AND ENDORSEMENTS	
Forms and Endorsements applying to this coverage and made part of this policy at time of Issue:	



Authorized Representative

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS (EXCEPT FOR E. & F.), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

SUPPLEMENTAL DECLARATIONS

Named Insured: FREEHOLD REGIONAL BOARD OF EDUCATION

Location of all premises you own, rent or occupy :

ADMINISTRATION BUILDING, 11 PINE ST, ENGLISHTOWN, NJ 07726

HOWELL HIGH SCHOOL, 405 SQUANKUM YELLOWBROOK RD, MONMOUTH, NJ 07727

FREEHOLD HIGH SCHOOL, 2 ROBERTSVILLE RD, FREEHOLD, NJ 07728

FREEHOLD TWP HIGH SCHOOL, 281 ELTON ADELPHIA RD, MONMOUTH, NJ 07728

MANALAPAN HIGH SCHOOL, 20 CHURCH LN, MANALAPAN, NJ 07726

MARLBORO HIGH SCHOOL, 95 N MAIN ST, MARLBORO, NJ 07746

TRANSPORTATION BUILDING, 117 CROW HILL RD, FREEHOLD, NJ 07728

COLTS NECK HIGH SCHOOL, 59 FIVE POINTS RD, MONMOUTH, NJ 07722

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

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

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

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

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

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

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

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

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

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

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

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

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

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

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

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

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

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

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

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

f. Pollution

- (1)** "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a)** At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i)** "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii)** "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b)** At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c)** Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i)** Any insured; or
 - (ii)** Any person or organization for whom you may be legally responsible; or
 - (d)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i)** "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii)** "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - (e)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

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

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

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

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

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

This exclusion does not apply to:

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

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

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

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

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

j. Damage To Property

"Property damage" to:

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

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

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

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

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

k. Damage To Your Product

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

l. Damage To Your Work

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

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

m. Damage To Impaired Property Or Property Not Physically Injured

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

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

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

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

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

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

o. Personal And Advertising Injury

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

p. Electronic Data

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

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

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

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

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

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

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

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

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

b. Material Published With Knowledge Of Falsity

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

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

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

e. Contractual Liability

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

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

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

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

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

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

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

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

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

l. Unauthorized Use Of Another's Name Or Product

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

m. Pollution

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

n. Pollution-related

Any loss, cost or expense arising out of any:

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

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

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

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

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

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g.** All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2.** If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a.** The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b.** This insurance applies to such liability assumed by the insured;
 - c.** The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d.** The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e.** The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f.** The indemnitee:
 - (1)** Agrees in writing to:
 - (a)** Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b)** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c)** Notify any other insurer whose coverage is available to the indemnitee; and
 - (d)** Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2)** Provides us with written authorization to:
 - (a)** Obtain records and other information related to the "suit"; and
 - (b)** Conduct and control the defense of the indemnitee in such "suit".

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

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

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

2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by;
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
- No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage **C**;
 - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage **A**; and
 - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

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

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

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

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

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

4. Other Insurance

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

a. Primary Insurance

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

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

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

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

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

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

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

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

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

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

7. Separation Of Insureds

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

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

8. Transfer Of Rights Of Recovery Against Others To Us

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

9. When We Do Not Renew

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

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

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;
 - (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

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

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

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

9. "Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

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

11. "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1)** Power cranes, shovels, loaders, diggers or drills; or
 - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a., b., c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a., b., c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

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

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

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

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a.** False arrest, detention or imprisonment;
- b.** Malicious prosecution;
- c.** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d.** Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f.** The use of another's advertising idea in your "advertisement"; or
- g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1)** Products that are still in your physical possession; or
- (2)** Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a)** When all of the work called for in your contract has been completed.
 - (b)** When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c)** When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

b. Does not include "bodily injury" or "property damage" arising out of:

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

17. "Property damage" means:

- a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2)** The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

EMPLOYEE BENEFIT PROGRAMS 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. 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 BENEFIT PROGRAMS LIABILITY COVERAGE

1. Insuring Agreement

- a. We will pay for all "loss" resulting from a "claim" made by any of your employees, former employees, or their beneficiaries or legal representatives, for a "wrongful act" to which this insurance applies. We will have the right and duty to defend an "insured" against any "suit" seeking such "loss" even if any allegations of the "suit" are groundless, false, or fraudulent. However, we will have no duty to defend an insured against any "suit" seeking "loss" to which this insurance does not apply. At our discretion, we may investigate any allegation of a "wrongful act" and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section IV - 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 "loss."

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 does not apply to "wrongful acts," which took place before the Retroactive Date, if any, shown in Declarations for this Coverage Part or which take place after the "policy period." This insurance applies only to "loss" from "wrongful acts" which take place:

- (1) In the Coverage Form Territory described in Section III;

- (2) During the "policy period" and "claim" for damages is first made against any insured during the "policy period"; or

- (3) Prior to the "policy period," but on or after the Retroactive Date, if any, shown in the Declarations for this Coverage Part, if prior to the effective date of this Coverage Part:

- (i) The insured did not give notice to any prior insurer of such "wrongful act"; and
- (ii) The insured had no knowledge of such "wrongful act" likely to give rise to a "claim" hereunder; and
- (iii) "Claim" for damages is first made against any insured during the "policy period."

- c. A "claim" by any person or organization seeking "loss" will be deemed to have been made at the earlier of the following times:

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with Paragraph 1.a. above.

- d. All "claims" for "loss" based on or arising out of a single "wrongful act" or all "interrelated wrongful acts" of one or more insureds will be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured.

2. Exclusions

This insurance does not apply to:

- a. Any dishonest, fraudulent, malicious, or criminal conduct of an insured. This exclusion applies only to insureds who participated in, acted with knowledge of, or acquiesced to such conduct.

- b. Any "claim" for libel or slander.
- c. Bodily injury to, or sickness, disease, or death of any person, or to injury to or destruction of tangible property, including the loss of use thereof.
- d. Any "claim" for failure of performance of contract by any insurer; including failure of any "employee benefit program".
- e. Any "claim" based upon the insured's failure to comply with any law concerning workers compensation, unemployment compensation, social security, disability benefits or any similar law.
- f. Any "claim" based upon the termination of any "employee benefit program".
- g. Any "claim" based upon: (1) Failure of stock shares to perform as represented by an insured; or (2) Advice given by an insured to an employee to participate or not to participate in stock subscription plans; or (3) The investment or non-investment of funds.
- h. Any "claim" arising from liability assumed or contracted for by the named insured.
- i. "Loss" based upon or attributable to an insured gaining personal profit or advantage to which the insured is not legally entitled.
- j. Any "wrongful act" if insurance for such "loss" is provided by any other Coverage Part attached to this policy or by any other insurance policy issued by any member company of the Utica National Insurance Group. This exclusion does not apply to an Excess Liability Policy written specifically to apply in excess of the limits of this Coverage Part.
- k. "Loss" from any obligation arising from an insured's activities in a fiduciary capacity as respects any employee benefit plan. As used in this exclusion, fiduciary means a person or entity which:
 - (1) Exercises any discretionary authority or discretionary control respecting management of such plan or exercises any authority or control respecting management or disposition of its assets; or
 - (2) Renders investments advice, direct or indirect, with respect to any money or other property of such plan, or has authority or responsibility to do so.
- l. "Loss" arising out of wrongful termination of employment, discrimination, humiliation or other employment-related practices or policies.

3. Supplementary Payments

We will pay, with respect to any "claim" or "suit" 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 \$250 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 make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment 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 the 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. An organization other than a partnership or joint venture, you are an insured. Your directors and stockholders are also insured, but only with respect to their liability as stockholders or directors.

2. Each of your employees and executive officers are also insureds, but only if such employee is authorized to act in the "administration" of the insured's "employee benefit programs."

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

SECTION III - COVERAGE FORM TERRITORY

This Coverage Part applies only to "wrongful acts" which take place within the United States of America, its territories or possessions or Canada. We will only defend "claims" or "suits" which are made in the territory described above.

SECTION IV - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made or "suits" brought; or
 - c. Persons or organizations making "claims" or bringing "suits."
2. The Aggregate Limit For Each Annual Policy Year is the most we will pay for damages because of "losses" covered by this form.
3.
 - a. Subject to 2. above, the Each Loss limit is the most we will pay for all "loss" from any one "wrongful act" or all "interrelated wrongful acts" of one or more insureds; and
 - b. Only one deductible amount applies to all such "loss."
4. The limits 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.
5. The deductible amount of \$1,000 as stated in the Declarations, shall be deducted from the amount of each "loss" covered by this Coverage Part. We will be liable only for damages in excess of the deductible. We may pay any part or all of the deductible amount to settle a "claim" or "suit" and you agree to promptly reimburse us for such part of the deductible amount paid by us

SECTION V - EMPLOYEE BENEFIT PROGRAMS 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 Wrongful Act, Claim or Suit

- a. You must see to it that we are notified as soon as practicable of any "wrongful act" which may result in a "claim". To the extent possible, notice should include:
 - (1) How, when and where the "wrongful act" took place;

- (2) The names and addresses of any persons involved in the "wrongful act" and witnesses; and

- (3) The nature of the harm resulting from the "wrongful act."

Notice of a "wrongful act" is not notice of a "claim".

- b. If a "claim" is received by any insured, you must:
 - (1) Immediately record the specifics of the "claim" and the date received; and
 - (2) Notify us as soon as practicable.You must see to it that we receive written notice of the "claim" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit."
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation, settlement or defense of 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 insureds will, except at their own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

3. Legal Action Against Us

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

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; 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 the other valid and collectible insurance is available to the insured for a "loss" we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis available to the insured for any "wrongful act" which took place prior to the "policy period."

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

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

- (1) The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

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

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the "loss" remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

5. Premium

- 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 annual period of this policy the first Named Insured shall furnish the company with a statement of the total number of employees at the end of the "policy period." The earned premium shall be computed on the average number of employees at the beginning and end of such period in accordance with the rates set forth in the Declarations. If the premium so computed exceeds the estimated advance premium paid, the first Named Insured shall pay the excess to the company; if less, the company shall return to the first Named Insured the excess portion paid, subject to the minimum premium for this insurance stated in the Declarations.

- c.** The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

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

7. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned 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.

10. Your Right to Claim and Wrongful Act Information

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding "employee benefit programs" claims made Coverage Part we have issued to you during the previous three years:

- a. A list of other record of each "wrongful act" not previously reported to any other insurer, of which we were notified in accordance with paragraph 2.a. of this Section. We will include the date and brief description of the "wrongful act" if that information was in the notice we received.
- b. A summary by policy year, of payments made and amounts reserved, stated separately, under the applicable Aggregate Limit for Each Annual Policy Year.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

If we cancel or elect not to renew this Coverage Part, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the policy period. In this case, we will provide this information within 45 days of receipt of the request.

We compile "claim" and "wrongful act" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.

SECTION VI - EXTENDED REPORTING PERIODS

1. We will provide an Automatic Extended Reporting Period as described in paragraph 3., or if you purchase it, an Optional Extended Reporting Period Endorsement as described in paragraph 4. in the event of any "termination of coverage."
2. Any "claim" first made during an Extended Reporting Period will be deemed to have been made on the last day of the "policy period," provided that the "claim" is for "loss" from "wrongful acts" which took place before the end of the "policy period" of this policy (but not before any applicable Retroactive Date).

Extended Reporting Periods:

- a. Do not extend the "policy period" or change the scope of coverage provided;

- b. Apply only to the coverage terminated or reduced; and
- c. Apply only as excess insurance over any other valid and collectible insurance available to the insured, whether primary, excess, contingent, or on any other basis, whose policy period begins or continues after the Extended Reporting Period takes effect.

3. The Automatic Extended Reporting Period is provided without additional charge. This period starts with the end of the "policy period" and lasts until the earliest of the following:

- a. Five years for "claims" arising out of a "wrongful act" reported to us, not later than 90 days after the end of the "policy period," in accordance with paragraph 2.a. of Section V - Employee Benefit Programs Liability Conditions;
- b. The date of purchase of (and payment of required premium for) the Optional Extended Reporting Period described in this Coverage Part; or
- c. Ninety days.

The Automatic Extended Reporting Period may not be cancelled.

4. If you purchase the Optional Extended Reporting Period Endorsement, the Extended Reporting Period will be of unlimited duration. This period starts on the later of the following dates:

- a. The end of the "policy period"; or
- b. The date of purchase of (and payment of required premium for) the Optional Extended Reporting Period described in this Coverage Part, as limited by the time allowed for such purchase.

5. a. We will notify you in writing within thirty (30) days after the date of "termination of coverage" of costs for and provisions of the Extended Reporting Periods unless we cancel for nonpayment of premium or fraudulent activities of an insured.

- b. You will have until the later of sixty (60) days after the date of "termination of coverage," or thirty (30) days after the date of mailing of the Extended Reporting Period notice provided for above, to request the Optional Extended Reporting Period. Your request must be submitted to us in writing with your premium payment.

- c. The Optional Extended Reporting Period Endorsement will not take effect unless the additional premium is paid when due. If that premium is paid when due, the Endorsement may not be cancelled.

- d. We will determine the actual premium for the Optional Extended Reporting Period Endorsement in accordance with our rules and rates.
 - e. The premium for the Optional Extended Reporting Period Endorsement is shown in the Declarations or in any endorsement changing the premium because of any change in the nature or extent of the risk during the "policy period." The premium for the Optional Extended Reporting Period will be fully earned when the endorsement takes effect.
6. The Optional Extended Reporting Period Endorsement will also amend paragraph **4.b.** of Section **V** - Employee Benefit Programs Liability Conditions (Other Insurance) so that the insurance provided will be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent, or on any other basis, whose policy period begins or continues after the Optional Extended Reporting Period Endorsement takes effect.
 7. Extended Reporting Periods do not reinstate or increase the Limits of Insurance applicable to any "claim" to which this Coverage Part applies, except to the extent described in paragraph **8.** of this Section.
 8. If you purchase the Optional Extended Reporting Period Endorsement:
 - a. We will provide a single aggregate limit of insurance for the entire Optional Extended Reporting Period equal to the dollar amount entered in the Declarations as the Aggregate Limit For Each Annual Policy Year for the final year of the terminated Employee Benefit Programs Liability Coverage Part.
 - b. Paragraph **2.** of Section **IV** - Limits of Insurance will be amended to reflect the aggregate as described in **a.** above.
 - c. The Each Loss limit shown in the Declarations will continue to apply, as set forth in paragraph **3.** of Section **IV** - Limits of Insurance.
 9. If, in the event of any "termination of coverage," you elect to purchase the Optional Extended Reporting Period Endorsement:
 - a. Any return premium due you for the "termination of coverage" will be credited to the premium due for the Optional Extended Reporting Period Endorsement; and
 - b. Any additional premium or Retained Amount due us for the period the policy was in force must be fully paid before any payments can be applied to the premium due for the Optional Extended Reporting Period Endorsement.

SECTION VII - DEFINITIONS

1. "Administration" means the following acts provided that they are authorized by the Named Insured:
 - a. Giving or failure to give counsel to employees with respect to the "employee benefit programs";
 - b. Interpreting the "employee benefit programs";
 - c. The handling of records in connection with the "employee benefit programs"; or
 - d. Effecting enrollment, termination or cancellation of employees under the "employee benefit programs".

However, "administration" does not include handling payroll deductions.
2. "Claim" means a written notice, including service of "suit" or demand for arbitration, received by one or more insureds which alleges a "wrongful act" or asks for money or services.
3. "Employee benefit programs" means:
 - a. Pension and profit sharing plans;
 - b. Individual Retirement Account (IRA) plans;
 - c. Salary reduction plans under Internal Revenue Code 401(k), 403(b), or any amendments thereto;
 - d. Employee stock subscription plans;
 - e. Savings Plans;
 - f. Group plans for life, health, dental, disability, automobile, homeowners and legal advice insurance;
 - g. Social Security system benefits;
 - h. Workers compensation and unemployment insurance;
 - i. Travel and vacation plans; and
 - j. Educational tuition reimbursement plans.
4. "Interrelated wrongful acts" means "wrongful acts" which arise out of and have as a common basis:
 - a. Related circumstances, situations, events, transactions or facts;
 - b. A series of related circumstances, situations, events, transactions or facts; or
 - c. A common pattern of conduct.
5. "Loss" means any amount which an insured becomes legally obligated to pay as damages for any "claim" to which this insurance applies and shall include judgments and settlements. To the extent allowed by law, "loss" shall include punitive or exemplary damages. "Loss" shall not include:
 - a. Fines or penalties imposed by law; and
 - b. Matters which may be deemed uninsurable under the law pursuant to which the policy shall be construed.

6. "Policy Period" means that period stated in the Declarations.
 - a. If this Coverage Part is issued subsequent to the issuance of the policy, the "policy period" will commence only as of the effective date of this Coverage Part.
 - b. If this Coverage Part or the policy to which it is attached is cancelled the "policy period" will end with that termination date.
 - c. If there is a "termination of coverage" as described in parts **b.** or **c.** of the definition of "termination of coverage", the "policy period" will be understood to end on the date of such change, but only with respect to such changed coverage.
7. "Suit" means a civil proceeding in which "loss" from a "wrongful act" is alleged. "Suit" includes:
 - a. An arbitration proceeding in which such "loss" is 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 "loss" is claimed and to which the insured submits with our consent.
8. "Termination of coverage" means:
 - a. Cancellation or nonrenewal of the policy;
 - b. Decrease in limits, reduction of coverage, increased deductible or self-insured retention, new exclusion; or
 - c. Other change in coverage less favorable to the insured.
9. "Wrongful Act" means any breach of duty, neglect, error, omission, misstatement or misleading statement in the "administration" of your "employee benefit programs."

SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE FORM

(For Educational Institutions)

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. 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 VIII - Definitions.

SECTION I - SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE

1. Insuring Agreement

- a. We will pay for all "loss" resulting from a "claim" for a "wrongful act" to which this insurance applies. We will have the right and duty to defend an "insured" against any "suit" seeking such "loss" even if the allegations of the "suit" are groundless, false, or fraudulent. However, we will have no duty to defend an insured against any "suit" seeking "loss" to which this insurance does not apply. At our discretion, we may investigate any allegation of a "wrongful act" and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for "loss" is limited as described in Section IV - Limits Of Insurance And Retentions; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of "loss."

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 only to "wrongful acts" which take place:

- (1) In the Coverage Form Territory described in Section III;
- (2) During the "policy period" and "claim" for "loss" is first made against any insured during the "policy period" or any extended reporting period provided; or

- (3) Prior to the "policy period," but on or after the Retroactive Date, if any, shown in the Declarations for this Coverage Part, provided that prior to the effective date of this Coverage Part:

- (a) The insured did not give notice to any prior insurer of such "wrongful act;"
- (b) The insured had no knowledge of such "wrongful act" likely to give rise to a "claim" hereunder; and
- (c) The "claim" is first made against any insured during the "policy period" or any extended reporting period provided.

- c. A "claim" by any person or organization seeking "loss" will be deemed to have been made at the earlier of the following times:

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with Paragraph 1.a. above.

- d. All "claims" for "loss" based on or arising out of a single "wrongful act" or all "interrelated wrongful acts" of one or more insureds will be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured.

2. Exclusions

This insurance does not apply to:

- a. "Loss" resulting from failure to purchase proper insurance or maintain adequate limits of insurance.

- b. "Loss" for "personal injury."
- c. Any dishonest, fraudulent, malicious, or criminal conduct of an insured. This exclusion applies only to insureds who participated in, acted with knowledge of, or acquiesced to such conduct.
- d. "Loss," direct or consequential, arising from bodily injury, sickness, disease, or death of any person, or for damage to or destruction of any tangible property including loss of use thereof.
- e. "Loss" from any obligation arising from an insured's activities in a fiduciary capacity as respects any employee benefit plan.
- f. "Loss" based upon or attributable to an insured gaining any personal profit or advantage to which the insured was not legally entitled.
- g. Any "claim" for salary, benefits or other remuneration, or that are based on or include salary, benefits or other remuneration as a measure of damages. This exclusion does not apply:
 - (1) To the extent that coverage is provided in the Limited Coverage For Salary Or Benefits Claims; or
 - (2) To fees, costs, and expenses of the investigation, defense, or appeal of any "claim" or "suit" or arbitration or administrative proceeding resulting from any "claim" for which coverage is provided by the Limited Coverage For Salary Or Benefits Claims.
- h. Any "claim" for any amounts due under the terms of any contractual obligation which is unrelated to salary, benefits or other remuneration. However, except with respect to construction or demolition contracts, this exclusion shall not apply to fees, costs, and expenses of the investigation, defense, or appeal of any "claim" or "suit" or arbitration or administrative proceeding resulting from the:
 - (1) Failure to perform; or
 - (2) Breach of any contract;
 which is unrelated to salary, benefits or other remuneration.
- i. Any "claim" for actual or alleged violations of The Fair Labor Standards Act or any rules, regulations, or amendments promulgated thereto. This exclusion also applies to any similar provisions of other federal, state or local laws or any amendments thereto.
- j. (1) Any "claim" 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;
 - (b) At or from any premises, site, or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing, or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom an insured may be legally responsible; or
 - (d) At or from any premises, site, or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:
 - (i) If the pollutants are brought on or to the premises, site, or location in connection with such operations by such insured, contractor, or subcontractor; or
 - (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of pollutants.

Subparagraphs (a) and (d)(i) do not apply to "claims" arising out of heat, smoke, or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.
- (2) Any "loss," cost, or expense arising out of any:
 - (a) Request, demand, or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of pollutants; or

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

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.

k. Any "claim" arising out of or resulting from asbestos.

l. "Loss" from any "wrongful act" if insurance for such "loss" is provided by any other Coverage Part attached to this policy or by any other insurance policy issued to you by any member company of the Utica National Insurance Group. This exclusion does not apply to an Excess Liability Policy written specifically to apply in excess of the limits of this Coverage Part.

m. "Loss":

(1) With respect to which an "insured" under this insurance 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.

(3) Resulting from the "hazardous properties" of "nuclear material," if:

(a) The "nuclear material" (i) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (ii) has been discharged or dispersed therefrom;

(b) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported, or disposed of by or on behalf of an "insured"; or

(c) The "loss" 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 (c) applies only to "loss" to such "nuclear facility" and any property thereat.

As used in this exclusion:

"Hazardous properties" include 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 (i) 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 (ii) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for (i) separating the isotopes of uranium or plutonium, (ii) processing or utilizing "spent fuel," or (iii) handling, processing, or packaging "waste";

(c) Any equipment or device used for the processing, fabricating, or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises, or place prepared or used for the storage or disposal of "waste"; and includes the site on which any of the foregoing is located, all operations conducted on such site, and all premises used for such operations;

"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;

"Loss," in this exclusion, includes all forms of radioactive contamination of property.

3. Limited Coverage For Salary Or Benefits Claims

Subject to the reduced limits stated below, we will pay for your liability for salary, benefits or other remuneration due to "wrongful employment practices".

The reduced limits stated below are the most we will pay for all damages payable under this Limited Coverage. These limits do not increase the School District and Educators Legal Liability Limits of Insurance stated in the Declarations.

Limits of Insurance For This Section:

Each "Loss" Limit - \$2,500.

Aggregate for Each

Annual Policy Year Limit - \$100,000.

4. 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, including fees charged by an attorney retained by us to defend you.
- b. The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of liability. 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 \$250 a day because of time off from work.

d. All costs taxed against the insured in the "suit."

e. Pre and post-judgment interest on that part of the judgment that we pay up to the policy limits.

These payments will not reduce the Limits of Insurance.

SECTION II - WHO IS AN INSURED

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

1. The "educational institution" named in the Declarations, its School Board, School Committee, Board of Trustees, Board of Governors or similar governing body and, for acts within the scope of their duties as such, all persons who were, now are, or shall be, its:
 - a. Elected or appointed members of the Board of Education, Board of Trustees, School Directors, School Committee, Board of Governors or similar governing body;
 - b. Employees;
 - c. Student Teachers;
 - d. School Volunteers; and
 - e. Students while serving in a supervised internship program sponsored by the "educational institution."
2. With respect to the liability of insureds described above, the heirs, administrators, assigns, and legal representatives of each insured in the event of death, incapacity, or bankruptcy.

SECTION III- COVERAGE FORM TERRITORY

This Coverage Part applies only to "wrongful acts" which take place in any part of the world if the insured's responsibility to pay damages is determined:

1. In a "suit" on the merits, in the United States of America (including its territories and possessions), Puerto Rico, or Canada; or
2. By settlement of a "claim" we agree to.

SECTION IV - LIMITS OF INSURANCE AND RETENTIONS

1. The Limits of Insurance shown in the Declarations and the provisions below determine the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made or "suits" brought; or
 - c. Persons or organizations making "claims" or bringing "suits."
2. The Aggregate For Each Annual Policy Year is the most we will pay for "losses" covered by this form.

3. Subject to 2. above, the Each Loss limit is the most we will pay for all "loss" from any one "wrongful act" or all "interrelated wrongful acts" of one or more insureds. Only one Retained Amount will be applied to all such "loss."
4. Our Limit of Insurance for Each "Loss" applies in excess of the Retained Amount set forth in the Declarations for Each "Loss."
5. The limits 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.
6. The insured's Retained Amount, as stated in the Declarations, shall be applied to payments for both "loss" and "defense costs" covered by this policy. Subject to any Coinsurance participation by the insured, we will be liable only for "loss" in excess of such Retained Amount, up to the Each "Loss" limit. We may pay any part or all of the insured's Retained Amount to settle a "claim" or "suit" or to pay for "defense costs." You agree to promptly reimburse us for such part of the Retained Amount paid by us.

The determination of the company as to the reasonableness of any "defense costs" payable towards the Retained Amount or Coinsurance shall be conclusive for all parties.

SECTION V - COINSURANCE

1. You will be responsible for your share, in excess of the Retained Amount for all "loss" and "defense costs" arising out of each "wrongful act" to which this insurance applies.
2. Your share will be determined by multiplying the amount of such "loss" and/or "defense costs", after deduction of the Retained Amount, by the percentage shown in the Declarations as the Participation Percentage. Your coinsurance participation is limited, as shown in the declarations, to a Maximum Participation Amount per "loss," and a Maximum Participation Amount Aggregate For Each Annual Policy Period. We will be responsible for the remaining "loss", subject to the applicable Limits of Insurance, and "defense costs" payable under this insurance.

3. Subject to the provisions of this section, we may make payments for "loss" and "defense costs" and then request you to pay us your percentage share. You agree to promptly reimburse us for your share. We do not waive our right to recover your share of such payments by making payments for "loss" or "defense costs."

SECTION VI - SCHOOL DISTRICT AND EDUCATORS LEGAL 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 "Wrongful Act," "Claim", or "Suit"

- a. You must see to it that we are notified as soon as practicable of any "wrongful act" which may result in a "claim." To the extent possible, notice should include:
 - (1) How, when, and where the "wrongful act" took place;
 - (2) The names and addresses of persons involved in the "wrongful act" and witnesses; and
 - (3) The nature of the harm resulting from the "wrongful act."
- b. If a "claim" is received by an insured, you must:
 - (1) Immediately record the specifics of the "claim" and the date received;
 - (2) Notify us as soon as practicable; and
 - (3) Forward written notice of the "claim" to us as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the "claim" or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to an 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.

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 obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a "loss" we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

- (1) This insurance is excess over any other insurance, whether primary, excess, contingent, or on any other basis available to the insured for any "wrongful act" which took place prior to the "policy period."
- (2) This insurance is excess over any other insurance, whether primary, excess, contingent, or on any other basis available to any individual who is insured under this Coverage Part.
- (3) When this insurance is excess, we will have no duty 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.
- (4) When this insurance is excess over other insurance, we will pay only our share of the amount of "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.

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

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "loss" remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Application

By accepting this policy, you agree:

- a. That as of the effective date of this policy, the statements in the application that is deemed attached and made a part of this coverage are each insured's agreements and representations; and
- b. That we have issued this policy in reliance upon the truth and accuracy of such representations.

6. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned 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.

7. 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.

8. 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.

9. Your Right to "Claim" and "Wrongful Act" Information

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding School District and Educators Legal Liability claims-made Coverage Part we have issued to you during the previous three years:

- a. A list or other record of each "wrongful act" not previously reported to any other insurer, of which we were notified in accordance with paragraph 2.a. of this Section. We will include the date and brief description of the "wrongful act" if that information was in the notice we received.
- b. A summary by policy year, of payments made and amounts reserved, stated separately under the applicable Aggregate For Each Annual Policy Year limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

You must not disclose this information to any claimant or claimant's representative without our consent.

If we cancel or elect not to renew this Coverage Part, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured. In this case, we will provide this information within 45 days of receipt of the request.

We compile "claim" and "wrongful acts" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate or incomplete information.

10. State Changes

Any state amendatory endorsement changing Cancellation or Nonrenewal Conditions for any part of this policy shall also apply to this Coverage Part.

SECTION VII - EXTENDED REPORTING PERIODS

1. We will provide an Automatic Extended Reporting Period as described in paragraph 3., or if you purchase it, an Optional Extended Reporting Period Endorsement as described in paragraph 4. in the event of any "termination of coverage."
2. Any "claim" first made during an Extended Reporting Period will be deemed to have been made on the last day of the "policy period," provided that the "claim" is for "loss" from "wrongful acts" which took place before the end of the "policy period" of this policy (but not before any applicable Retroactive Date).

Extended Reporting Periods:

- a. Do not extend the "policy period" or change the scope of coverage provided;
 - b. Apply only to the coverage terminated or reduced; and
 - c. Apply only as excess insurance over any other valid and collectible insurance available to the insured, whether primary, excess, contingent, or on any other basis, whose policy period begins or continues after the Extended Reporting Period takes effect.
3. The Automatic Extended Reporting Period is provided without additional charge. This period starts with the end of the "policy period" and lasts until the earliest of the following:
 - a. Five years for "claims" arising out of a "wrongful act" reported to us, not later than 90 days after the end of the "policy period," in accordance with paragraph 2.a. of Section VI - School District And Educators Legal Liability Conditions;
 - b. The date of purchase of (and payment of required premium for) the Optional Extended Reporting Period described in this Coverage Part; or
 - c. Ninety days.The Automatic Extended Reporting Period may not be cancelled.
 4. If you purchase the Optional Extended Reporting Period Endorsement, the Extended Reporting Period will be of unlimited duration. This period starts on the later of the following dates:
 - a. The end of the "policy period"; or

- b. The date of purchase of (and payment of required premium for) the Optional Extended Reporting Period described in this Coverage Part, as limited by the time allowed for such purchase.
5.
 - a. We will notify you in writing within thirty (30) days after the date of "termination of coverage" of costs for and provisions of the Extended Reporting Periods unless we cancel for nonpayment of premium or fraudulent activities of an insured.
 - b. You will have until the later of sixty (60) days after the date of "termination of coverage," or thirty (30) days after the date of mailing of the Extended Reporting Period notice provided for above, to request the Optional Extended Reporting Period. Your request must be submitted to us in writing with your premium payment.
 - c. The Optional Extended Reporting Period Endorsement will not take effect unless the additional premium is paid when due. If that premium is paid when due, the Endorsement may not be cancelled.
 - d. We will determine the actual premium for the Optional Extended Reporting Period Endorsement in accordance with our rules and rates.
 - e. The premium for the Optional Extended Reporting Period Endorsement is shown in the Declarations or in any endorsement changing the premium because of any change in the nature or extent of the risk during the "policy period." The premium for the Optional Extended Reporting Period will be fully earned when the endorsement takes effect.
6. The Optional Extended Reporting Period Endorsement will also amend paragraph 4.b. of Section VI - School District And Educators Legal Liability Conditions (Other Insurance) so that the insurance provided will be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent, or on any other basis, whose policy period begins or continues after the Optional Extended Reporting Period Endorsement takes effect.
7. Extended Reporting Periods do not reinstate or increase the Limits of Insurance applicable to any "claim" to which this Coverage Part applies, except to the extent described in paragraph 8. of this Section.
8. If you purchase the Optional Extended Reporting Period Endorsement:
 - a. We will provide a single aggregate limit of insurance for the entire Optional Extended Reporting Period equal to the dollar amount entered in the Declarations as Aggregate For Each Annual Policy Year for the final year of the terminated School District and Educators Legal Liability Coverage Part.
 - b. Paragraph 2. of Section IV - Limits Of Insurance And Retentions will be amended to reflect the aggregate as described in a. above.
 - c. The Each Loss limit shown in the Declarations will continue to apply, as set forth in paragraph 3. of Section IV - Limits Of Insurance And Retentions.
9. If, in the event of any "termination of coverage," you elect to purchase the Optional Extended Reporting Period Endorsement:
 - a. Any return premium due you for the "termination of coverage" will be credited to the premium due for the Optional Extended Reporting Period Endorsement; and
 - b. Any additional premium or Retained Amount due us for the period the policy was in force must be fully paid before any payments can be applied to the premium due for the Optional Extended Reporting Period Endorsement.

SECTION VIII - DEFINITIONS

1. "Claim" means a written notice, including service of "suit" or demand for arbitration, received by one or more insureds which alleges a "wrongful act" or asks for money or services.
2. "Defense costs" mean payments allocated to a specific "claim" or "suit" for its investigation, settlement, or defense, including:
 - a. Attorney fees and other litigation expenses.
 - b. Fees for investigators, adjusters, expert witnesses, consultants and alternative dispute resolution services.
 - c. Costs taxed against the insured in the "claim."

"Defense costs" do not include:

- (1) Salaries and expenses of our employees or your "employees," except for that portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim" for the defense of the insured; or

- (2) 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 amount available for the judgment under the provisions of Section IV - Limits Of Insurance And Retentions.
3. "Educational institution" means the school district or other educational institution named in the Declarations of this Coverage Part as legally constituted at the beginning of the "policy period."
4. "Interrelated wrongful acts" means "wrongful acts" which arise out of and have as a common basis:
 - a. Related circumstances, situations, events, transactions or facts;
 - b. A series of related circumstances, situations, events, transactions or facts; or
 - c. A common pattern of conduct.
5.
 - a. "Loss" means any amount which an insured is legally obligated to pay as damages or which the "educational institution" may be required and permitted by law to pay as indemnity to an insured for any "claim" to which this insurance applies and shall include judgments and settlements. "Loss" also includes punitive damages where insurable by law.
 - b. "Loss" shall not include:
 - (1) Fines or penalties imposed by law;
 - (2) Injunctive relief, including costs to comply with injunctive orders or judgments;
 - (3) Tuition, room and board, transportation or other educational costs, all of which are specific to the operation of the "educational institution";
 - (4) Operating costs of your institution such as would be included in your "educational institution's" budget;
 - (5) "Claims" for reduction or return of taxes; or
 - (6) Other matters which may be deemed uninsurable under the law pursuant to which the policy shall be construed.
6. "Personal injury" means injury arising out of one or more of the following offenses:
 - a. False arrest, detention, or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies by or on behalf of its owner, landlord, or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services; or
- e. Oral or written publication of material that violates a person's right of privacy.
7. "Policy period" means that period stated in the Declarations.
 - a. If this Coverage Part is issued subsequent to the issuance of the policy, the "policy period" will commence only as of the effective date of this Coverage Part.
 - b. If this Coverage Part or the policy to which it is attached is cancelled the "policy period" will end with that termination date.
 - c. If there is a "termination of coverage" as described in parts b. or c. of the definition of "termination of coverage," the "policy period" will be understood to end on the date of such change, but only with respect to such changed coverage.
8. "Suit" means a civil proceeding in which "loss" from a "wrongful act" is alleged. "Suit" includes:
 - a. An arbitration proceeding in which such "loss" is 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 "loss" is claimed and to which the insured submits with our consent.
9. "Termination of coverage" means:
 - a. Cancellation or nonrenewal of the policy;
 - b. Decrease in limits, reduction of coverage, increased deductible or self-insured retention, new exclusion; or
 - c. Other change in coverage less favorable to the insured.
10. "Wrongful act" means any breach of duty, neglect, error, omission, misstatement, or misleading statement committed by an insured:
 - a. In the lawful discharge of the duties that are characteristic of, distinctive or inherent to the operation and functioning of an educational institution; and
 - b. While acting within the course and scope of their duties for the named insured.
11. "Wrongful employment practices" means actual or alleged wrongful:
 - a. Refusal to employ;
 - b. Termination of employment; or
 - c. Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, or other employment-related practices, policies, acts, or omissions.

ABUSE OR MOLESTATION LIABILITY COVERAGE FORM - EDUCATIONAL INSTITUTIONS (INCLUDING SEXUAL MISCONDUCT OR SEXUAL MOLESTATION)

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. The words "we," "us," and "our" refer to the Company providing the 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 - ABUSE OR MOLESTATION LIABILITY COVERAGE (INCLUDING SEXUAL MISCONDUCT OR SEXUAL MOLESTATION)

1. Insuring Agreement.

- a. We will pay on behalf of the insured those sums that the insured becomes legally obligated to pay for "loss" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking such payment even if the allegations of the "suit" are groundless, false, or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking payment for "loss" to which this insurance does not apply. We may, at our discretion, investigate any incident and settle any claim or "suit" that may result. But:
 - (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
 - (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of "loss."

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 only to "loss" which results from a "wrongful act", and then only when such "wrongful act" first takes place during the "policy period." All "wrongful acts" which constitute one "loss" will be deemed to first take place at the time of the earliest of such "wrongful acts."

2. Exclusions.

This insurance does not apply:

- a. To any person who:
 - (1) Participated in or who conspired with or directed a participant in any "wrongful act"; or
 - (2) Knowingly allowed any "wrongful act" or failed to report any "wrongful act" to proper authorities.
- b. To the cost of defense of, or payment of fines for, any person who actually or allegedly violated any penal or criminal statute.
- c. If you fail to give us written notice within 60 days of your being notified of an incident which appears likely to result in a claim or "suit" involving a "wrongful act."
- d. To liability assumed by the insured under any contract or agreement, but this exclusion does not apply to liability for "loss" that the insured would have in the absence of the contract or agreement.

- e. To any obligation of the insured under a workers compensation, disability benefits, or unemployment compensation law, or any similar law.
- f. To injury to:
 - (1) An employee of the insured arising out of and in the course of employment by the insured; or
 - (2) The spouse, child, parent, brother, or sister of that employee as a consequence of (1) 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 injury.
- g. To "loss" arising from the ownership, maintenance, operation, use, entrustment, loading or unloading of any "auto", watercraft, or aircraft.
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 "loss" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft.
- h. To exemplary or punitive damages.
- i. To "loss" arising from any violation of the civil rights of any person.
- j. (1) "Loss" to a person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) "Loss" to the spouse, child, parent, brother or sister of that person as a consequence of injury to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

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

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 appeal bonds, 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 \$250 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 make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after the 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

Each of the following is an insured under this coverage subject to all the exclusions and provisions thereof:

- 1. You and any "affiliate."
- 2. Your employees, directors, officers, trustees, clergy, wardens, deacons, elders, teachers, members of the vestry, members of the board of trustees, members of the board of governors, or members of the board of education while acting within the scope of their duties as such.
- 3. With respect to the liability of insureds described above, the heirs, administrators, assigns, and legal representatives of each insured in the event of death, incapacity, or bankruptcy.
- 4. Employees, directors, officers, trustees, clergy, wardens, deacons, elders, teachers, members of the vestry, members of the board of trustees, members of the board of governors, or members of the board of education of any "affiliate" acquired or formed after the effective date of this Coverage Part, while acting within the scope of their duties as such, but only if the first Named Insured shown in the Declarations:

- a. Provides immediate written notice of such acquisition or formation to us;
- b. Furnishes such additional information as we require as soon as practicable; and
- c. Pays promptly such additional premium as is required.

However, coverage under this provision does not apply to any "wrongful act" that took place before you formed or acquired the "affiliate."

- 5. Any other member of yours but only while acting on your behalf.
- 6. Any volunteer worker but only while acting on your behalf with your consent and knowledge.

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 Annual Aggregate Limit is the most we will pay for the total of all "losses" covered by this Coverage Part.
- 3. Subject to 2. above, the Each Loss Limit is the most we will pay for damages because of each "loss" as defined.
- 4. The limits 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 - ABUSE OR MOLESTATION LIABILITY CONDITIONS (INCLUDING SEXUAL MISCONDUCT OR SEXUAL MOLESTATION)

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 "Wrongful Act," Claim, or "Suit."

(See Exclusion c. Also.)

- a. You must see to it that we are notified as soon as practicable (and within 60 days of any notice to you) of any "wrongful act" which may result in a claim. To the extent possible, notice should include:

- (1) How, when, and where the "wrongful act" took place;
- (2) The names and addresses of any persons involved in the "wrongful act" and witnesses; and
- (3) The nature of the harm resulting from the "wrongful act."

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the claim or "suit;"
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit;" and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "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.

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 obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a "loss" we cover under this Coverage Part, our obligations are limited as follows:

- a. This insurance is primary with respect to insurance that is specifically written as excess over this insurance.
- b. Excess Insurance
 - (1) This insurance is excess over any insurance that is not specifically described in item a. above, whether primary, excess, contingent, or on any other basis available to any insured under this Coverage Part.
 - (2) When this insurance is excess, we will have no duty 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 "loss," if any, that exceeds the sum of:
 - (a) The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and
 - (b) The total of all deductible and self-insured amounts under all that other insurance.
 - (4) We will share the remaining "loss," if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "loss" remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Two or More Coverage Forms

Except for the insurance provided by this Coverage Part, the policy to which this Coverage Part is attached does not apply to any claim or "suit" seeking damages arising out of any actual or alleged act of abuse or molestation (including sexual misconduct or sexual molestation).

6. Representations.

By accepting this policy, you agree:

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

7. Separation of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned 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.

10. State Changes.

Any state amendatory endorsement changing Cancellation or Nonrenewal Conditions for any part of this policy shall also apply to this Coverage Part.

SECTION V - DEFINITIONS

1. "Affiliate" means any entity wholly owned by you or owned through one or more of your "affiliates." Coverage shall apply to "affiliates" which existed prior to or at the inception date of this Coverage Part. In the event of sale or dissolution of any

"affiliate" after the inception date of this Coverage Part, coverage shall continue to apply to all persons who were persons insured of the "affiliate" with respect to claims for "wrongful acts" prior to the time of sale or dissolution. However, in the event of sale, coverage shall cease as of the date of sale for subsequent persons in such positions.

2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment" as defined in the Commercial General Liability Coverage Part that is part of this policy.
3. a. "Loss" means any damages which the insured is legally obligated to pay for any claim to which this insurance applies and shall include judgments and settlements and also includes damages claimed by any person or organization for care, loss of services, or death resulting at any time from a "wrongful act." "Loss" shall not include fines or penalties imposed by law or other matters which may be deemed uninsurable under the law pursuant to which the policy shall be construed.
 - b. All:
 - (1) Covered acts of abuse or molestation (including sexual misconduct or sexual molestation) by one person, or by two or more persons acting together; and
 - (2) Breaches of duty related to the acts in item (1) immediately above;will constitute one "loss" and be subject to the Each Loss Limit of Insurance.

4. "Policy period" means that period stated in the Declarations of the policy. But if this Coverage Part is issued subsequent to the issuance of the policy, the "policy period" hereunder will commence only as of the effective date of this Coverage Part and shall terminate with the policy termination.

5. "Suit" means a civil proceeding in which damages because of "loss" from "wrongful acts" 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.

6. "Wrongful act" means:

- a. Any act of actual or threatened abuse or molestation (including sexual misconduct or sexual molestation) which results in injury to another; or
- b. The negligent:
 - (1) Employment;
 - (2) Investigation;
 - (3) Supervision;
 - (4) Reporting to the proper authorities, or failure to so report; or
 - (5) Retention;of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph a. above.

For the purpose of this coverage, abuse means an intentional, inherently harmful act.

EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE FORM

THIS INSURANCE PROVIDES CLAIMS-MADE COVERAGE.

THIS COVERAGE IS LIMITED TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE "POLICY PERIOD" OR ANY EXTENDED REPORTING PERIOD PROVIDED.

ANY "DEFENSE COSTS" PAID UNDER THIS COVERAGE WILL REDUCE THE AVAILABLE LIMIT OF LIABILITY AND MAY EXHAUST IT COMPLETELY. SUCH COSTS WILL ALSO BE APPLIED AGAINST ALL APPLICABLE RETENTION AMOUNTS. IF THE LIMIT OF LIABILITY IS EXHAUSTED, THE INSURER WILL HAVE NO FURTHER LIABILITY FOR "DEFENSE COSTS," JUDGMENTS OR SETTLEMENTS UNDER THIS COVERAGE.

PLEASE REVIEW THE 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. 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 III - Who Is An Insured. Other words and phrases that appear in quotation marks have special meaning. Refer to Section I - Definitions.

SECTION I - DEFINITIONS

1. "Claim" means a written or oral notice presented by:

- a. Any of your "employees," "leased workers," "temporary workers," former "employees" or applicants for employment;
- b. The legal representative of any individual in I 1.a. above; or
- c. The EEOC or any other federal, state or local administrative or regulatory agency on behalf of any person in part I 1.a. above;

that the insured is responsible for "damages" as a result of injury arising out of an "employment-related practice."

"Claim" includes any civil proceeding in which either "damages" are alleged or fact finding will take place, when either is the actual or alleged result of an "employment-related practice" to which this insurance applies. This includes:

- (1) An arbitration proceeding in which such "damages" are claimed and to which the insured submits with our consent;
- (2) Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent; or

(3) Any administrative proceeding instituted under such federal, state or local laws as may be applicable to "employment-related practices" covered under this insurance.

2. "Coverage territory" means:

- a. The United States of America (including its territories and possessions) and Puerto Rico; or
- b. Anywhere in the world with respect to the activities of a person whose place of employment is in the territory described in part I 2.a. above, while he or she is away for a short time on your business;

provided that the insured's responsibility to pay "damages" is determined in a suit (or in any other type of civil proceeding included in the definition of "claim") on the merits in, and under the substantive law of, the United States of America (including its territories and possessions) or Puerto Rico.

3. "Damages" means monetary amounts to which this insurance applies and which the insured is legally obligated to pay as judgments or awards; or as settlements to which we have agreed in writing.

"Damages" include:

- a. "Prejudgment interest" awarded against the insured on that part of the judgment we pay;
- b. To the extent allowed by law, any portion of a judgment or award that represents a multiple of the compensatory amounts; or punitive or exemplary damages; and
- c. Statutory attorney fees.

"Damages" do not include:

- (1) Civil, criminal, administrative or other fines or penalties;
- (2) Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than monetary amounts; or
- (3) Judgments or awards because of acts deemed uninsurable by law.

- 4. "Defense costs" mean payments allocated to a specific "claim" for its investigation, settlement, or defense, including:
 - a. Attorney fees and other litigation expenses.
 - b. The costs of bonds to appeal a judgment or award in a "claim" we defend. We do not have to furnish such bonds.
 - c. The costs of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish such bonds.
 - d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim," including actual loss of earnings up to \$250 a day because of time off from work.
 - e. Costs taxed against the insured in the "claim."

"Defense costs" do not include:

- (1) Salaries and expenses of our employees or your "employees," except for:
 - (a) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim" for the defense of the insured; or
 - (b) Expenses included in paragraph I 4.d. above.

- (2) 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 amount available for the judgment under the provisions of Section IV - Limits Of Insurance And Retentions.

- 5. "Employee" means a person:

- a. Employed by you for wages or salary; or
- b. Who is a current or former member of your board of directors.

But "employee" does not include an independent contractor, employees of an independent contractor while acting within the scope of their employment, a "leased worker" or a "temporary worker."

- 6. "Employment-related practices" mean any of the following listed practices, whether actual or alleged:

- a. Which are directed against any of your "employees," "leased workers," "temporary workers," former "employees" or applicants for employment; and
- b. For which remedy is sought under any federal, state or local statutory or common civil law relating to employment practices.

"Employment-related practices" listed:

- (1) Wrongful refusal to employ a qualified applicant for employment;
- (2) Wrongful failure to promote or wrongful deprivation of career opportunity;
- (3) Wrongful demotion, negligent evaluation, negligent reassignment or wrongful discipline;
- (4) Wrongful termination of employment, including retaliatory or constructive discharge;
- (5) Employment related misrepresentation;
- (6) Harassment, coercion, discrimination or humiliation as a consequence of race, color, creed, national origin, marital status, medical condition, gender, age, physical appearance, physical and/or mental impairments, pregnancy, sexual orientation or sexual preference or any other protected class or characteristic established by an applicable federal, state or local statute; or

- (7) Oral or written publication of material that slanders, defames or libels; or violates or invades a right of privacy.

7. "Interrelated employment-related practices" means "employment-related practices" which arise out of and have as a common basis:
- a. Related circumstances, situations, events, transactions or facts;
 - b. A series of related circumstances, situations, events, transactions or facts; or
 - c. A common pattern of conduct in carrying on your business.
8. "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."
9. "Policy period" means:
- a. That period from the effective date of this insurance to the expiration date stated in the Declarations of the policy, or to its earlier termination date, if any.
 - b. If there is a "termination of coverage" as defined in parts I 12.b. or I 12.c. of the definition of "termination of coverage," the "policy period" will be understood to end on the date of such change, but only with respect to such changed coverage.
10. "Prejudgment interest" means interest added to a settlement, verdict, award or judgment based on the amount of time prior to the settlement, verdict, award or judgment; whether or not made part of the settlement, verdict, award or judgment.
11. "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.
12. "Termination of coverage" means any:
- a. Cancellation or nonrenewal of this insurance;
 - b. Decrease in limits, reduction of coverage, increased deductible, new exclusion; or
 - c. Other change in coverage less favorable to the insured.

SECTION II - EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE

1. Insuring Agreement.

- a. We will pay on behalf of the insured "damages" from "claims" for "employment-related practices" to which this insurance applies. We have no obligation under this insurance to make payments or perform acts or services except as provided for in this Insuring Agreement and in part II 2., Defense Of Claims, Administrative Hearings And Settlement Authority, below.
- b. This insurance applies to such "damages" only if:
 - (1) The "employment-related practices" took place in the "coverage territory";
 - (2) Such "employment-related practices" occurred on or after the Retroactive Date, if any, shown in the Declarations and before the end of the "policy period"; and
 - (3) A "claim" is first made against an insured and reported to us, in accordance with part II 1.c. below and Condition 2. of Section VI., during the "policy period" or any Extended Reporting Period provided under Section VII - Extended Reporting Periods.
- c. A "claim" will be deemed to have been made at the earlier of the following times:
 - (1) When notice of such "claim" is received and recorded by you or by us, whichever comes first; or
 - (2) When we make settlement in accordance with part II 2.a. below.
- d. All "claims" for "damages" based on or arising out of:
 - (1) One "employment-related practice"; or
 - (2) "Interrelated employment-related practices" by one or more insureds shall be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured.

Each payment we make for "damages" or "defense costs" reduces the Limit of Insurance available, as provided under Section IV - Limits Of Insurance And Retentions.

Each payment we make for "damages" is subject to your Coinsurance Participation, as described in Section **V** - Coinsurance For Payment Of Damages.

2. Defense Of Claims, Administrative Hearings And Settlement Authority.

a. We have the right and duty to defend an insured against "claims" to which this insurance applies and to pay related "defense costs" even if the allegations of the "claim" are groundless, false or fraudulent. However, we will have no obligation to defend an insured against any "claim" to which this insurance does not apply. We may at our discretion:

(1) Investigate any "employment-related practice"; and

(2) Settle any "claim" which may result, provided:

(a) We have your written consent to settle; and

(b) The settlement is within the applicable Limit of Insurance available.

b. If you refuse to consent to a "claim" settlement we recommend which is acceptable to the claimant:

(1) Our liability under this policy for such "claim" will not exceed the amount we would have paid for "damages" and "defense costs" if you had consented at the time of our recommendation; and

(2) After such refusal, you will have the duty to negotiate and defend that "claim" at your own cost and without our involvement.

c. Our right and duty to defend the insured against "claims" end when we have used up the Limit of Insurance available, as provided under Section **IV** - Limits Of Insurance And Retentions. This applies both to "claims" pending at that time and those filed thereafter.

d. When we control defense of a "claim," we will pay associated "defense costs" and choose a counsel of our choice from the panel of attorneys we have selected to deal with "employment-related practices" "claims." If you give us a specific written request when a "claim" is first made:

(1) You may select from one of our panel of employment law attorneys; or

(2) You may ask us to consider the approval of a defense attorney of your choice that is not on our panel.

We will use the panel attorney you selected according to part **II 2.d.(1)** above or consider your request according to part **II 2.d.(2)** above, in engaging the counsel we deem most appropriate for the required defense of such "claim."

e. (1) If by mutual agreement or court order the insured assumes control of such defense before the applicable Limit of Insurance is used up, we will reimburse the insured for reasonable "defense costs" according to part **II 2.e.(2)** below.

(2) If we defend you under a reservation of rights, both your and our counsel(s) will be required to maintain records pertinent to your "defense costs." These records will be used to determine the allocation of any "defense costs" for which you may be solely responsible, including defense of any allegation not covered by this insurance.

In any case, however, we will only pay amounts in excess of the Retention Amount and such payments will reduce the Limit of Insurance available, as provided under Section **IV** - Limits Of Insurance And Retentions.

f. Upon prior notice to us and with our approval, the first Named Insured is authorized to act on behalf of all insureds with respect to the payment of "damages" in settlement of an Administrative Hearing or other nonjudicial proceeding before the Federal Equal Employment Opportunity Commission, or any similar federal, state or local body or commission. This authorization is limited to:

(1) "Damages" covered by this insurance;

(2) "Defense costs" under paragraph **I 4.d.** of the Definition of "defense costs"; and

(3) Amounts not in excess of two times the Retention Amount stated in the Declarations.

3. Exclusions.

This insurance does not apply to:

- a. "Claims" arising directly or indirectly from any:

- (1) Dishonest, fraudulent, criminal or unlawful act or omission of an insured; or
- (2) Willful failure by an insured, or with an insured's consent, to comply with a law or a governmental or administrative order or regulation relating to employment practices. Willful means acting with intentional or reckless disregard for such employment-related laws, orders or regulations.

In interpreting this exclusion no insured's wrongful act shall be imputed to another insured.

- b. "Claims" arising directly or indirectly from any:

- (1) "Employment-related practices" which were the subject of a demand, suit or other proceeding initiated against any insured; or
- (2) Facts and circumstances which would cause a reasonable person to believe a "claim" would be made and which were known to an insured:

Prior to the earlier of:

- (a) The effective date of the first policy providing this type of coverage that we issued to you which this policy was an uninterrupted renewal of; or
- (b) The effective date of this insurance.

- c. "Claims" arising directly or indirectly from any:

Breach of an express contract of employment or an express obligation to make payments in the event of termination of employment.

- d. "Claims" arising directly or indirectly from any:

Obligation 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.

- e. "Claims" arising directly or indirectly from any of the following laws:

- (1) Workers compensation, disability benefits or unemployment compensation laws, or similar laws. However, this exclusion shall not apply to "claims" based upon, arising from, or in consequence of any actual or alleged retaliatory treatment of a claimant by an Insured on account of such claimant's exercise of rights pursuant to such law;
- (2) Employees' Retirement Income Security Act of 1974, Public Law 93-406, (E.R.I.S.A.) as now or hereafter amended, or any similar state or other governmental law. This includes fiduciary liability, liability arising out of the administration of any employee benefit plan or other liability under such laws;
- (3) The Fair Labor Standards Act, the National Labor Relations Act of 1938, the Worker Adjustment and Retraining Notification Act (Public Law 100-37991988), the Consolidated Omnibus Budget Reconciliation Act of 1985, or the Occupational Safety and Health Act.

This exclusion also applies to:

- (a) Rules or regulations and amendments thereto promulgated under any of the foregoing and any similar provisions of other federal, state or local laws; and
- (b) To that part of any "damages" awarded for the cost or replacement of any insurance benefits due or alleged to be due to any current or former "employee."

- f. "Claims" arising directly or indirectly from any oral or written publication of material, if such material:
 - (1) Was published by or at the direction of an insured with knowledge of the material's falsity; or
 - (2) Was first published before the Retroactive Date, if any, shown in the Declarations.
- g. "Claims" arising directly or indirectly from bodily injury, sickness, disease or death of any person. However, this exclusion does not apply to liability for "damages" for mental anguish from an "employment-related practice."
- h. "Claims" arising directly or indirectly from damage to or destruction of tangible property, including loss of use thereof.
- i. "Claims" arising directly or indirectly from any "employment-related practices" which occur when or after:
 - (1) You file for or are placed in any bankruptcy, receivership, liquidation or reorganization proceeding; or
 - (2) Any other business entity acquires an ownership interest in you greater than fifty percent.
- j. "Claims" arising directly or indirectly from any costs of complying with physical modifications to your premises or any changes to your usual business operations as mandated by the Americans with Disabilities Act of 1990 including any amendment thereto, or any similar federal, state or local law.
- k. "Claims" arising directly or indirectly from any lockout, strike, picket line, related worker replacement(s) or other similar actions resulting from labor disputes or labor negotiations.
- l. "Damages" for which insurance is provided by any other insurance policy issued to you by any member company of the Utica National Insurance Group. This exclusion does not apply to an Excess Liability Policy written specifically to apply in excess of the limits of this policy.

SECTION III - WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you are 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, you are an insured. Your current or former 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 current or former members are also insureds, but only with respect to the conduct of your business. Your current or former managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership or joint venture, you are an insured. Your current or former directors are insureds, but only with respect to their duties as your directors.
2. Each of the following is also an insured:
 - a. Your current or former "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. Your current or former "leased workers" but only while performing duties related to the conduct of your business.
 - 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 policy.
3. Any heirs, executors, administrators, assignees or legal representatives of any individual insured above, in the event of the death, bankruptcy or incapacity of such insured, but only to the extent this insurance would have been available to such insured.
4. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. You must provide us notice of such acquisition or formation within 30 days of the effective date of your acquisition or formation of such organization;
- b. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization, or the end of the "policy period," whichever is earlier;
- c. Coverage does not apply to "employment-related practices" that occurred before you acquired or formed the organization; and
- d. You must pay us any additional premium due, as a condition precedent to the enforceability of this additional extension of coverage.

This part **III 4.** does not apply to any organization after it is shown in the Declarations or added to this Coverage Part by endorsement.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION IV - LIMITS OF INSURANCE AND RETENTIONS

1. The Limit of Insurance stated in the Declarations as the Policy Aggregate Limit is the most we will pay for the sum of:
 - a. All "damages" from all "claims" for "employment-related practices" to which this insurance applies; and
 - b. All "defense costs" for all "claims" seeking "damages" payable under paragraph **IV 1.a.** above.

Each payment we make for such "damages" or "defense costs" reduces the Policy Aggregate Limit by the amount of the payment. This reduced limit will then be the Policy Aggregate Limit of Insurance available for further "defense costs" and "damages" under this policy.

2. Subject to part **IV 1.** above, the Limit of Insurance stated in the Declarations as the Each "Claim" Limit is the most we will pay for the sum of:
 - a. All "damages" from any one "claim" for "employment-related practices" to which this insurance applies, whether such "claim" is brought by one or more claimants; and
 - b. All "defense costs" allocated to that specific "claim" as described in part **IV 2.a.** immediately preceding.

3. In addition to the payments for "damages" and "defense costs" in parts **IV 1.** and **IV 2.** above, we will also pay 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 amount available for the judgment under the provisions of parts **IV 1.** and **IV 2.** above.

These Limits of Insurance 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.

4. a. The Retention Amount stated in the Declarations will be deducted from the sum of all "damages" and "defense costs" for each "claim" because of "employment-related practices" to which this insurance applies. If there are no "damages" paid for a "claim," you must still pay the applicable Retention Amount for any "defense costs" connected with that "claim."
- b. The Limits of Insurance, as described above, will apply to "damages" and "defense costs" which remain after the deduction of the Retention Amount.
- c. All other terms of this insurance apply regardless of the application of the Retention Amount. This includes those concerning Defense Of Claims, Administrative Hearings And Settlement Authority in Section II; and the Duties In The Event of "Employment-Related Practices" or "Claims" Condition.
- d. We may pay any part or all of the Retention Amount to settle a "claim" and you agree to promptly reimburse us for such part of the Retention Amount paid by us.

SECTION V - COINSURANCE FOR PAYMENT OF "DAMAGES"

1. a. You will be responsible for your share, in excess of the applicable Retention Amount, of all "damages" from each "claim" because of "employment-related practices" to which this insurance applies. This is so whether such "claim" is brought by one or more claimants.

- b. Your share will be determined by multiplying the amount of such "damages," after deduction of the Retention Amount, by the percentage shown in the Declarations as the Coinsurance Participation. Your Coinsurance Participation is limited, as shown in the declarations, to a maximum dollar amount per "claim." We will be responsible for the remaining "damages" payable under this insurance, subject to the applicable Limits of Insurance.
- 2. Subject to the provisions of this section, we may make payments for "damages" and then request you to pay us your percentage share. You agree to reimburse us for your share. We do not waive our right to recover your share of such payments by making payments for "damages."

SECTION VI- CONDITIONS

The following conditions apply in addition to the Common Policy Conditions, except for Conditions 5. and 10. below which replace Common Policy Conditions E. and F.

1. Bankruptcy.

Subject to exclusion II 3.i., the bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this insurance.

2. Duties in Event of "Employment-Related Practices" or "Claims."

- a. You must see to it that we are notified as soon as practicable of any specific "employment-related practices" which you believe may result in an actual "claim." Your belief must be reasonably certain and result from specific allegations made by a potential claimant or such potential claimant's representative, or from specifically identifiable injury sustained by a potential claimant. To the extent possible, notice should include:

- (1) How, when and where such "employment-related practices" took place;
- (2) The names and addresses of any potential claimants and witnesses; and
- (3) The nature of any injury arising out of such "employment-related practices."

Notice of such "employment-related practices" is not notice of a "claim", but preserves any insured's rights to future coverage for subsequent "claims" arising

out of such "employment-related practices" as described in Automatic Extended Reporting Period, paragraph VII 3.a.

b. If a "claim" is received by any insured:

- (1) You must immediately record the specifics of the "claim" and the date received;
- (2) You and any other involved insured must see to it that we receive written notice of the "claim," as soon as practicable, but in any event we must receive notice either:
 - (a) During the "policy period"; or
 - (b) With respect to any "claim" first made during any Extended Reporting Period provided under Section VII - Extended Reporting Periods, during such Extended Reporting Period;

as a condition precedent for coverage under this insurance. Such notice must provide us with the same information as is required in item VI 2.a. above; and

(3) You and any other involved insured must:

- (a) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
- (b) Authorize us to obtain records and other information;
- (c) Cooperate with us in the investigation, settlement or defense of the "claim"; 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 this insurance may also apply.

- c. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent, other than those specific payments authorized under Section II, part 2., Defense Of Claims, Administrative Hearings And Settlement Authority.

3. Legal Action Against Us.

No person or organization has a right under this insurance:

- a. To join us as a party or otherwise bring us into a "claim" seeking "damages" from any insured; or
- b. To sue us on this coverage 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 obtained after an actual trial; but we will not be liable for "damages" that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for "damages" or "defense costs" we cover under this insurance, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **VI 4.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 **VI 4.c.** below.

b. Excess Insurance

- (1) This insurance is excess over any other insurance, whether primary, excess, contingent, or on any other basis available to the insured for any "employment-related practice" which took place prior to the "policy period."
- (2) This insurance is excess over any other insurance, whether primary, excess, contingent, or on any other basis available to any individual, except a Named Insured, who is insured under this insurance.
- (3) When this insurance is excess, we will have no duty 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.

- (4) When this insurance is excess over other insurance, we will pay only our share of the amount of 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.

- (5) 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 or Schedule for this insurance.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also.

Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Payment of Premiums, Retention and Coinsurance Amounts.

- a. We will compute all premiums for this insurance in accordance with our rules and rates; and
- b. The first Named Insured shown in the Declarations is responsible for the payment of all premiums, retention amounts and coinsurance payments due and will be the payee for any return premiums we pay.

6. Representations.

By accepting this coverage, you agree:

- a. The statements in the Declarations or the Schedule are accurate and complete;
- b. Those statements are based upon representations you made to us in your application for this insurance. That application is attached to and incorporated into this policy and forms the basis of our obligations under this insurance; and

- c. Since we have issued this insurance in reliance upon your representations, this insurance is voidable if any material fact or circumstance relating to the subject of this insurance is omitted or misrepresented in your application.

7. Separation Of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this coverage 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.

8. Sole Agent.

The first Named Insured is authorized to act on behalf of all insureds as respects the giving or receiving of notice of cancellation or nonrenewal, receiving premium refunds, requesting any Extended Reporting Period and agreeing to any changes in this insurance.

9 Transfer Of Rights Of Recovery Against Others To Us.

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

10. Transfer of Your Rights and Duties Under This Policy.

Your rights and duties under this insurance may not be transferred without our written consent.

11. When We Do Not Renew.

If we decide not to renew this insurance, 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.

12. Your Right to "Claim" and "Employment-Related Practice" Information.

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding Employment-Related Practices Liability claims-made insurance we have issued to you during the previous three years:

- a. A list or other record of each "employment-related practice," not previously reported to any other insurer, of which we were notified in accordance with paragraph 2.a. of the Duties in the Event of "Employment-Related Practices" or "Claims" Condition (Section VI). We will include the date and brief description of the "employment-related practice" if that information was in the notice we received. We will also include any estimated reserves on reported "employment-related practices."
- b. A summary by policy year, of payments made and amounts reserved, stated separately, for "damages" or "defense costs" under any applicable Aggregate Limit.
- c. A description of closed "claims" and/or open "claims" including the date and description of "employment-related practices," amount of payment, if any, and an estimate of reserves, if any; stated separately, for "damages" or "defense costs."

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

You must not disclose this information to any claimant or claimant's representative without our consent.

If we cancel or elect not to renew this insurance, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured. In this case, we will provide this information within 45 days of receipt of the request.

We compile "claim" and "employment-related practices" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate or incomplete information.

13. State Changes.

Any state amendatory endorsement which states that it changes Cancellation or Nonrenewal Conditions for the Commercial General Liability Coverage Part shall also apply to this Coverage Form.

SECTION VII - EXTENDED REPORTING PERIODS

1. We will provide an Automatic Extended Reporting Period as described in paragraph **VII 3.**, or if the first Named Insured purchases it, an Optional Extended Reporting Period Endorsement as described in paragraphs **VII 4.** and **VII 5.** below, in the event of any "termination of coverage."

2. a. If we provide an Extended Reporting Period, a "claim" first made during the Extended Reporting Period will be deemed to have been made during the "policy period," provided that the "claim" is for "employment-related practices" which took place before the end of the "policy period" of this insurance (but not before any applicable Retroactive Date).

b. Extended Reporting Periods:

- (1) Do not extend the "policy period" or change the scope of coverage provided;
- (2) Do not reinstate or increase the Limits of Insurance applicable to any "claim" to which this insurance applies;
- (3) Apply only to the coverage terminated or reduced; and
- (4) Apply only as excess insurance over any other valid and collectible insurance available to the insured, whether primary, excess, contingent, or on any other basis, whose policy period begins or continues after the Extended Reporting Period takes effect.

3. Automatic Extended Reporting Period.

The Automatic Extended Reporting Period is provided without additional charge. This period starts at the end of the "policy period" and lasts:

- a. Five years for "claims" arising out of "employment-related practices" reported to us, no later than 60 days after the end of the "policy period," in accordance with Condition 2. of Section **VI**; or
- b. Sixty days for all other "claims."

The Automatic Extending Reporting Period may not be cancelled.

4. Optional Extended Reporting Period.

If this insurance is subject to any "termination of coverage," then the first Named Insured shall have an option to purchase an Optional Extended Reporting Period as described below.

If the first Named Insured purchases the Optional Extended Reporting Period Endorsement, the Optional Extended Reporting Period will start 60 days after the end of the "policy period," and will last either:

- a. Twelve months; or
- b. Thirty-six months.

5. Optional Extended Reporting Period Notice and Acceptance.

a. Part **VII 5.f.** below describes the premium for the Optional Extended Reporting Period Endorsement.

b. We will notify the first Named Insured in writing, within 30 days after the date of "termination of coverage" of the premium for and provisions of the Extended Reporting Periods unless we cancel for nonpayment of premium or fraudulent activities of an insured and the policy has been in effect for less than one year. If the policy is cancelled for nonpayment of premium or fraudulent activities of an insured, we will only provide a premium quotation for the Optional Extended Reporting Period upon the request of the first Named Insured.

c. The first Named Insured will have until the later of 60 days after the date of "termination of coverage" or 30 days after the date of mailing of the notice of "termination of coverage" described in **VII 5.b.** above to request the Optional Extended Reporting Period. The request must:

- (1) Be submitted to us in writing;
- (2) Show the length of the period of extension desired; and
- (3) Include payment of the premium for the requested extension.

d. If, in the event of any "termination of coverage" the first Named Insured elects to purchase the Optional Extended Reporting Period Endorsement:

- (1) Any return premium due for the "termination of coverage" will be credited to the premium due for the Optional Extended Reporting Period Endorsement; and

- (2) Any additional premium, coinsurance participation amount or retention amount due us for the period the policy was in force must be fully paid before any payments will be applied to the premium due for the Optional Extended Reporting Period Endorsement.
- e. The Optional Extended Reporting Period Endorsement will not take effect unless the additional premium is paid when due. If that premium is paid when due, the Endorsement may not be cancelled.
- f. The premium for the Optional Extended Reporting Period Endorsement:
 - (1) Will be determined in accordance with our rules and rates;
 - (2) Is shown in the Declarations or in any endorsement changing the premium because of any change in the nature or extent of the risk during the "policy period";
 - (3) Will be commensurate with the coverage provided; and
 - (4) Will be fully earned when the Optional Extended Reporting Period Endorsement takes effect.
- g. The Optional Extended Reporting Period Endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Optional Extended Reporting Period including a provision to the effect that the insurance afforded for "claims" made during such period is excess over any other valid and collectible insurance available under policies in force after the Optional Extended Reporting Period starts.

CYBER SUITE COVERAGE FORM

THE DATA COMPROMISE LIABILITY, NETWORK SECURITY LIABILITY, AND ELECTRONIC MEDIA LIABILITY COVERAGES APPLY ON A DEFENSE WITHIN LIMITS BASIS. ANY DEFENSE COSTS PAID WILL REDUCE THE AVAILABLE LIMIT OF INSURANCE AND MAY EXHAUST IT COMPLETELY. DEFENSE COSTS WILL ALSO BE APPLIED AGAINST THE DEDUCTIBLE.

IN THE EVENT THAT THE LIMIT OF INSURANCE IS EXHAUSTED, WE WILL NOT BE LIABLE FOR FURTHER DEFENSE COSTS OR FOR ANY DAMAGES OR JUDGMENTS.

NO COVERAGE IS PROVIDED FOR CLAIMS ARISING OUT OF ANY PERSONAL DATA COMPROMISE, COMPUTER ATTACK, NETWORK SECURITY INCIDENT, ELECTRONIC MEDIA INCIDENT, IDENTITY THEFT, OR WRONGFUL ACTS WHICH TOOK PLACE PRIOR TO THE COVERAGE TERM.

Throughout this Coverage Form (hereinafter referred to as "Cyber Coverage"), the words "you" and "your" refer to the Named Insured(s) and any other person(s) or organization(s) qualifying as a Named Insured under this Cyber Coverage. 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 the **Definitions** Section.

A. COVERAGE

This section lists the coverages that apply if indicated in the Cyber Suite Declarations.

1. Data Compromise Response Expenses

- a. Data Compromise Response Expenses applies only if all of the following conditions are met:

- (1) There has been a "personal data compromise"; and
- (2) Such "personal data compromise" took place in the "coverage territory"; and
- (3) Such "personal data compromise" is first discovered by you during the "policy period"; and
- (4) Such "personal data compromise" is reported to us as soon as practicable, but not more than 60 days after the date it is first discovered by you.

- b. If the conditions listed in a. above have been met, then we will provide coverage for the following expenses when they arise directly from such "personal data compromise" and are necessary and reasonable. Items (4) and (5) below apply only if there has been a notification of the "personal data compromise" to "affected individuals" as covered under item (3) below.

(1) Forensic IT Review

We will pay for a professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data compromise" and the number and identities of the "affected individuals".

This does not include costs to analyze, research or determine any of the following:

- (a) Vulnerabilities in systems, procedures or physical security;
- (b) Compliance with Payment Card Industry or other industry security standards; or
- (c) The nature or extent of loss or damage to data that is not "personally identifying information" or "personally sensitive information".

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

(2) Legal Review

We will pay for a professional legal counsel review of the "personal data compromise" and how you should best respond to it.

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

(3) Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the "personal data compromise" to "affected individuals".

(4) Services to Affected Individuals

We will pay your necessary and reasonable costs to provide the following services to "affected individuals". Services (c) and (d) below apply only to "affected individuals" from "personal data compromise" events involving "personally identifying information".

(a) Informational Materials

A packet of loss prevention and customer support information.

(b) Help Line

A toll-free telephone line for "affected individuals" with questions about the "personal data compromise". Where applicable, the line can also be used to request additional services as listed in (c) and (d) below.

(c) Credit Report and Monitoring

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the "affected individual" enrolling for this service with the designated service provider.

(d) Identity Restoration Case Management

As respects any "affected individual" who is or appears to be a victim of "identity theft" that may reasonably have arisen from the "personal data compromise", the services of an identity restoration professional who will assist that "affected individual" through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

(5) Public Relations

We will pay for a professional public relations firm review of and response to the potential impact of the "personal data compromise" on your business relationships.

This includes necessary and reasonable costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with "affected individuals". However, we will not pay for:

- (a)** Promotions provided to any of your directors or employees; or
- (b)** Promotion costs exceeding \$25 per "affected individual".

(6) Regulatory Fines and Penalties

We will pay for any fine or penalty imposed by law, to the extent such fine or penalty is legally insurable under the law of the applicable jurisdiction.

(7) Payment Card Industry Standards

We will pay for amounts stipulated in a written contract that you are required to pay because of your failure to comply with Payment Card Industry Data Security Standards (PCIDSS) for the handling of information in connection with payment card transactions.

2. Computer Attack And Cyber Extortion

- a. Computer Attack applies only if all of the following conditions are met:
 - (1) There has been a "computer attack"; and
 - (2) Such "computer attack" occurred in the "coverage territory"; and
 - (3) Such "computer attack" is first discovered by you during the "policy period"; and
 - (4) Such "computer attack" is reported to us as soon as practicable but not more than 60 days after the date it is first discovered by you.
- b. If the conditions listed in a. above have been met, then we will provide you the following coverages for "loss" directly arising from such "computer attack".
 - (1) **Data Restoration**
We will pay your necessary and reasonable "data restoration costs".
 - (2) **Data Re-creation**
We will pay your necessary and reasonable "data re-creation costs".
 - (3) **System Restoration**
We will pay your necessary and reasonable "system restoration costs".
 - (4) **Loss of Business**
We will pay your actual "business income and extra expense loss".
 - (5) **Public Relations**
If you suffer a covered "business income and extra expense loss", we will pay for the services of a professional public relations firm to assist you in communicating your response to the "computer attack" to the media, the public and your customers, clients or members.
- c. Cyber Extortion applies only if all of the following conditions are met:
 - (1) There has been a "cyber extortion threat"; and
 - (2) Such "cyber extortion threat" is first made against you during the "policy period"; and
 - (3) Such "cyber extortion threat" is reported to us as soon as practicable, but in no event more than 60 days after the date it is first made against you.

- d. If the conditions listed in c. above have been met, then we will pay for your necessary and reasonable "cyber extortion expenses" arising directly from such "cyber extortion threat". The payment of "cyber extortion expenses" must be approved in advance by us. We will not pay for "cyber extortion expenses" that have not been approved in advance by us. We will not unreasonably withhold our approval.
- e. You must make every reasonable effort not to divulge the existence of this Cyber Extortion coverage.

3. Data Compromise Liability

- a. Data Compromise Liability applies only if all of the following conditions are met:
 - (1) During the "policy period" or any applicable Extended Reporting Period, you first receive notice of one of the following:
 - (a) A "claim" brought by or on behalf of one or more "affected individuals"; or
 - (b) A "regulatory proceeding" brought by a governmental entity.
 - (2) Such "claim" or "regulatory proceeding" must arise from a "personal data compromise" that:
 - (a) Took place during the "coverage term";
 - (b) Took place in the "coverage territory"; and
 - (c) Was submitted to us and insured under Data Compromise Response Expenses.
 - (3) Such "claim" is reported to us as soon as practicable but not more than 60 days after the date it is first received by you.
- b. If the conditions listed in a. above have been met, then we will pay:
 - (1) "Loss" on your behalf; or
 - (2) "Defense costs" directly arising from a "regulatory proceeding".
- c. All "claims" and "regulatory proceedings" arising from a single "personal data compromise" or interrelated "personal data compromises" will be deemed to have been made at the time that notice of the first of those "claims" or "regulatory proceedings" is received by you.

4. Network Security Liability

a. Network Security Liability applies only if all of the following conditions are met:

(1) During the "policy period" or any applicable Extended Reporting Period, you first receive notice of a "claim" which arises from a "network security incident" that:

(a) Took place during the "coverage term"; and

(b) Took place in the "coverage territory"; and

(2) Such "claim" is reported to us as soon as practicable but not more than 60 days after the date it is first received by you.

b. If the conditions listed in a. above have been met, then we will pay "loss" on your behalf.

c. All "claims" arising from a single "network security incident" or interrelated "network security incidents" will be deemed to have been made at the time that notice of the first of those "claims" is received by you.

5. Electronic Media Liability

a. Electronic Media Liability applies only if all of the following conditions are met:

(1) During the "policy period" or any applicable Extended Reporting Period, you first receive notice of a "claim" which arises from an "electronic media incident" that:

(a) Took place during the "coverage term"; and

(b) Took place in the "coverage territory"; and

(2) Such "claim" is reported to us as soon as practicable but not more than 60 days after the date it is first received by you.

b. If the conditions listed in a. above have been met, then we will pay "loss" on your behalf.

c. All "claims" arising from a single "electronic media incident" or interrelated "electronic media incidents" will be deemed to have been made at the time that notice of the first of those "claims" is received by you.

6. Identity Recovery

a. Identity Recovery applies only if all of the following conditions are met:

(1) There has been an "identity theft" involving the personal identity of an "identity recovery insured" under this Coverage Form; and

(2) Such "identity theft" took place in the "coverage territory"; and

(3) Such "identity theft" is first discovered by the "identity recovery insured" during the "policy period"; and

(4) Such "identity theft" is reported to us within 60 days after it is first discovered by the "identity recovery insured".

b. If the conditions listed in a. above have been met, then we will provide the following to the "identity recovery insured":

(1) Case Management Service

We will pay for the services of an "identity recovery case manager" as needed to respond to the "identity theft"; and

(2) Expense Reimbursement

We will pay for reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft".

B. EXCLUSIONS

The following additional exclusions apply to this coverage:

We will not pay for costs or loss arising from the following:

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

2. War and military action including any of the following and any consequence of any of the following:

a. War, including undeclared or civil war;

b. Warlike action by 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, political violence or action taken by governmental authority in hindering or defending against any of these.

3. Failure or interruption of or damage to the internet or an internet service provider.

4. Any attack on, incident involving, or loss to any computer or system of computers that is not a "computer system".

5. Costs to research or correct any deficiency.
6. Any fines or penalties other than those explicitly covered under Data Compromise Response Expenses.
7. Any criminal investigations or proceedings.
8. Your intentional or willful complicity in a covered loss event.
9. Your reckless disregard for the security of your computer system or data, including confidential or sensitive information of others in your care, custody or control.
10. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
11. Any "personal data compromise", "computer attack", "cyber extortion threat" or "wrongful act" occurring before the "coverage term".
12. That part of any "claim" seeking any non-monetary relief. However, this exclusion does not apply to "defense costs" arising from an otherwise insured "wrongful act".
13. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software created, produced or modified by you for sale, lease or license to third parties.
14. Any oral or written publication of material, if done by you or at your direction with knowledge of its falsity.
15. "Property damage" or "bodily injury" other than mental anguish or mental injury alleged in a "claim" covered under Electronic Media Liability.
16. The theft of a professional or business identity.
17. Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any authorized representative of an "identity recovery insured", whether acting alone or in collusion with others. However, this exclusion will not apply to the interests of an "identity recovery insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act.
18. An "identity theft" that is not reported in writing to the police.

C. LIMITS OF INSURANCE

1. Data Compromise Response Expenses, Computer Attack And Cyber Extortion, Data Compromise Liability, Network Security Liability and Electronic Media Liability

Except for post-judgment interest, the Cyber Suite Aggregate Limit shown in the Declarations is the most we will pay for the sum of all covered "loss" payable under these coverages in any one "policy period". This limit applies regardless of the number of:

- a. Insured events first discovered during the "policy period"; or
- b. "Claims" or "regulatory proceedings" first received during the "policy period" or any applicable Extended Reporting Period.

2. Identity Recovery

The Identity Recovery Aggregate Limit shown in the Declarations is the most we will pay for the sum of all covered "loss" payable under this coverage in any one "policy period". This limit applies regardless of the number of "identity thefts" first discovered during the "policy period".

3. The limits of this Coverage Form 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 Aggregate Limits for this coverage will be increased in proportion to any policy extension provided.

4. Coverage Sublimits

a. Data Compromise Response Expenses

- (1) The most we will pay under this coverage for "loss" arising from any "malware-related compromise" is the 1st Party Named Malware sublimit shown in the Declarations. For the purpose of this 1st Party Named Malware sublimit, all "malware-related compromises" that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single "personal data compromise".

- (2) The most we will pay under this coverage for Forensic IT Review, Legal Review, Public Relations, Regulatory Fines and Penalties, and Payment Card Industry Standards coverages for "loss" arising from any one "personal data compromise" is the applicable sublimit for each of these coverages shown in the Declarations.

These sublimits are part of, and not in addition to, the Cyber Suite Aggregate Limit applicable to this coverage.

Public Relations coverage is also subject to a limit per "affected individual" as described in **A.1.b.(5)**.

b. Computer Attack And Cyber Extortion

The most we will pay under Computer Attack for Loss of Business, Public Relations and Cyber Extortion coverages for "loss" arising from any one "computer attack" is the applicable sublimit for each of these coverages shown in the Declarations. These sublimits are part of, and not in addition to, the Cyber Suite Aggregate Limit applicable to this coverage.

c. Data Compromise Liability

The most we will pay under this coverage for "loss" arising from any "malware-related compromise" is the 3rd Party Named Malware sublimit shown in the Declarations. For the purpose of the 3rd Party Named Malware sublimit, all "malware-related compromises" that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single "personal data compromise". This sublimit is part of, and not in addition to, the Cyber Suite Aggregate Limit applicable to this coverage.

d. Identity Recovery

The following provisions only apply to Identity Recovery Coverage:

- (1) Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Services do not reduce the Identity Recovery Aggregate Limit.
- (2) Costs covered under item **d.** (Legal Costs) of the definition of "identity recovery expenses" are part of, and not in addition to, the Identity Recovery Aggregate Limit.

- (3) Costs covered under item **e.** (Lost Wages) and item **f.** (Child and Elder Care Expenses) of the definition of "identity recovery expenses" are jointly subject to the Lost Wages and Child and Elder Care sublimit shown in the Declarations. This sublimit is part of, and not in addition to, the Identity Recovery Aggregate Limit. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".

- (4) Costs covered under item **g.** (Mental Health Counseling) of the definition of "identity recovery expenses" are subject to the Mental Health Counseling sublimit shown in the Declarations. This sublimit is part of, and not in addition to, the aggregate limit for Identity Recovery. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".

- (5) Costs covered under item **h.** (Miscellaneous Unnamed Costs) of the definition of "identity recovery expenses" is subject to the Miscellaneous Unnamed Costs sublimit shown in the Cyber Suite Declarations.

This sublimit is part of, and not in addition to, the Identity Recovery Aggregate Limit. Coverage is limited to costs incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".

4. Application Of Limits

- a. A "computer attack", "cyber extortion threat", "personal data compromise" or "identity theft" may be first discovered by you in one "policy period" but it may cause insured "loss" in one or more subsequent "policy periods". If so, all insured "loss" arising from such "computer attack", "cyber extortion threat", "personal data compromise" or "identity theft" will be subject to the limit of insurance applicable to the "policy period" when the "computer attack", "cyber extortion threat", "personal data compromise" or "identity theft" was first discovered by you.

- b. You may first receive notice of a "claim" or "regulatory proceeding" in one "policy period" but it may cause insured "loss" in one or more subsequent "policy periods". If so, all insured "loss" arising from such "claim" or "regulatory proceeding" will be subject to the limit of insurance applicable to the "policy period" when notice of the "claim" or "regulatory proceeding" was first received by you.
- c. Coverage for Services to Affected Individuals under Data Compromise Response Expenses is limited to costs to provide such services for a period of up to one year from the date of the notification to the "affected individuals". Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

D. DEDUCTIBLES

- 1. We will not pay for "loss" until the amount of the insured "loss" exceeds the deductible amount shown in the Cyber Suite Declarations. We will then pay the amount of "loss" in excess of the applicable deductible amount, subject to the applicable limits shown in the Cyber Suite Declarations. You will be responsible for the applicable deductible amount.
We may pay any part or all of the deductible to effect settlement of a "loss" and upon notification of the action taken, you shall promptly reimburse us for such part or all of the deductible as we may have paid.
- 2. The deductible will apply to all:
 - a. "Loss" arising from the same insured event or interrelated insured events under Data Compromise Response Expenses, or Computer Attack And Cyber Extortion.
 - b. "Loss" resulting from the same "wrongful act" or interrelated "wrongful acts" insured under Data Compromise Liability or Network Security Liability.
- 3. Insurance coverage under Identity Recovery is not subject to a deductible.

E. ADDITIONAL CONDITIONS

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

1. Bankruptcy

Your bankruptcy or insolvency, or if you are a sole proprietor, the insolvency of your estate, will not release us from the payment of damages for injury sustained or loss occasioned during the life of and within the coverage of this Coverage Form.

2. Defense And Settlement

- a. We shall have the right and the duty to assume the defense of any applicable "claim" or "regulatory proceeding" against you even if the allegations in the "claim" or "regulatory proceeding" are groundless, false or fraudulent. You shall give us such information and cooperation as we may reasonably require. At the time a "claim" or "regulatory proceeding" is first reported to us, you may request that we appoint a defense attorney of your choice. We will give full consideration to any such request.
- b. You shall not admit liability for or settle any "claim" or "regulatory proceeding" or incur any defense costs without our prior written consent.
- c. We shall not settle any "claim" or "regulatory proceeding" without your consent. If, however, you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such "claim" or "regulatory proceeding" independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
- d. We will not be obligated to pay any "loss" or "defense costs", or to defend or continue to defend any "claim" or "regulatory proceeding" after the applicable limit of insurance has been exhausted.
- e. We will pay all interest on that amount of any judgment within the applicable limit of insurance which accrues:

- (1) After entry of judgment; and
- (2) Before we pay, offer to pay or deposit in court that part of the judgment within the applicable limit of insurance or, in any case, before we pay or offer to pay the entire applicable limit of insurance.

These interest payments will be in addition to and not part of the applicable limit of insurance.

3. Due Diligence

You agree to use due diligence to prevent and mitigate "loss" insured under this Coverage Form. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

- a. Providing and maintaining appropriate physical security for your premises, "computer systems" and hard copy files;
- b. Providing and maintaining appropriate computer and Internet security;
- c. Maintaining and updating at appropriate intervals backups of computer data;
- d. Protecting transactions, such as processing credit card, debit card and check payments; and
- e. Appropriate disposal of files containing "personally identifying information", "personally sensitive information" or "third party corporate data", including shredding hard copy files and destroying physical media used to store electronic data.

4. Duties in the Event of a Claim, Regulatory Proceeding or Loss

- a. If, during the "policy period", incidents or events occur which you reasonably believe may give rise to a "claim" or "regulatory proceeding" for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant's representative, or notice of a complaint filed with a federal, state or local agency, or upon an oral "claim", allegation or threat, you shall give written notice to us as soon as practicable and either:
 - (1) Anytime during the "policy period"; or
 - (2) Anytime during the extended reporting periods (if applicable).

- b. If a "claim" or "regulatory proceeding" is brought against you, you must:

- (1) Immediately record the specifics of the "claim" or "regulatory proceeding" and the date received;
- (2) Provide us with written notice, as soon as reasonably practicable but not more than 60 days after the date the "claim" or "regulatory proceeding" is first received by you;
- (3) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "regulatory proceeding";
- (4) Authorize us to obtain records and other information;
- (5) Cooperate with us in the investigation, settlement or defense of the "claim" or "regulatory proceeding";
- (6) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of "loss" or "defense costs" to which this insurance may also apply; and
- (7) Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such "claim" or "regulatory proceeding".

- c. In the event of a "personal data compromise", "computer attack", "cyber extortion threat", "network security incident", "electronic media incident", or "identity theft" insured under this coverage form, you and any involved "identity recovery insured" must see that the following are done:

- (1) Notify the police if a law may have been broken.
- (2) Notify us as soon as practicable, but in no event more than 60 days after the "personal data compromise", "computer attack", "cyber extortion threat", "network security incident", "electronic media incident", or "identity theft". Include a description of any property involved.
- (3) As soon as possible, give us a description of how, when and where the "personal data compromise", "computer attack", "cyber extortion threat", "network security incident", "electronic media incident", or "identity theft" occurred.

- (4) As often as may be reasonably required, permit us to:
- (a) Inspect the property proving the "personal data compromise", "computer attack", "cyber extortion threat", "network security incident", "electronic media incident", or "identity theft".
 - (b) Examine your books, records, electronic media and records and hardware;
 - (c) Take samples of damaged and undamaged property for inspection, testing and analysis; and
 - (d) Make copies from your books, records, electronic media and records and hardware.
- (5) Send us signed, sworn proof of "loss" containing the information we request to investigate the "personal data compromise", "computer attack", "cyber extortion threat", "network security incident", "electronic media incident", or "identity theft". You must do this within 60 days after our request. We will supply you with the necessary forms.
- (6) Cooperate with us in the investigation or settlement of the "personal data compromise", "computer attack", "cyber extortion threat", "network security incident", "electronic media incident", or "identity theft".
- (7) If you intend to continue your business, you must resume all or part of your operations as quickly as possible.
- (8) Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our prior written consent.
- (9) Promptly send us any legal papers or notices received concerning the "loss".
- d. We may examine you under oath at such times as may be reasonably required, about any matter relating to this insurance or the "claim", "regulatory proceeding" or "loss", including your books and records. In the event of an examination, your answers must be signed.

- e. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.

5. Identity Recovery Case Management

Identity Recovery Case Management provides the "identity recovery insured" with:

- a. Information and advice for how to respond to a possible "identity theft"; and
- b. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the Coverage Form.

We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

As respects Expense Reimbursement Coverage, the "identity recovery insured" must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses".

6. Legal Action Against Us

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

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date the "loss" or "identity theft" is first discovered by you, or the date on which you first receive notice of a "claim" or "regulatory proceeding".

7. Legal Advice

We are not your legal advisor. Our determination of what is or is not insured under this Coverage Form does not represent advice or counsel from us about what you should or should not do.

8. Other Insurance

If there is other insurance that applies to the same "loss" this Coverage Form shall apply only as excess insurance after all other applicable insurance has been exhausted.

9. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to "affected individuals". We assume no responsibility under Data Compromise Response Expenses for any services promised to "affected individuals" without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under the Service Providers condition below. You must provide the following at our pre-notification consultation with you:

- a. The exact list of "affected individuals" to be notified, including contact information.
- b. Information about the "personal data compromise" that may appropriately be communicated with "affected individuals".
- c. The scope of services that you desire for the "affected individuals". For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Data Compromise Response Expenses limit of insurance.

10. Service Providers

- a. We will only pay under this Coverage Form for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Coverage Form. We will not unreasonably withhold such approval.
- b. Prior to the Pre-Notification Consultation described in the Pre-Notification Consultation Condition above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
 - (1) Such alternate service provider must be approved by us;
 - (2) Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and

- (3) Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

11. Services

The following conditions apply as respects any services provided to you or any "affected individual" or "identity recovery insured" by us, our designees or any service firm paid for in whole or in part under this Coverage Form:

- a. The effectiveness of such services depends on the cooperation and assistance of you, "affected individuals" and "identity recovery insureds".
- b. All services may not be available or applicable to all individuals. For example, "affected individuals" and "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
- c. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
- d. Except for the services of an "identity recovery case manager" under Identity Recovery, which we will provide directly, you will have a direct relationship with the professional service firms paid for in whole or in part under this Coverage Form. Those firms work for you.

12. State Changes

Any state required amendatory endorsement applicable to the policy to which this Coverage Form is attached which changes Cancellation or Nonrenewal Conditions or other provisions shall also apply to this Coverage Form.

F. EXTENDED REPORTING PERIODS

1. In the event of a "termination of coverage", we will provide an Automatic Extended Reporting Period for Data Compromise Liability, Network Security Liability and Electronic Media Liability. The Automatic Extended Reporting Period is provided without additional charge. This period starts upon "termination of coverage" and lasts for thirty (30) days. The Automatic Extended Reporting Period does not reinstate or increase the Limits of Insurance.

2. In the event of a "termination of coverage", an Optional Extended Reporting Period of one (1) year's duration is available for Data Compromise Liability, Network Security Liability and Electronic Media Liability, but only by an endorsement and for an extra premium charge. The premium for the Optional Extended Reporting Period is 100% of the annual premium applicable to this Coverage Form.

The Optional Extended Reporting Period starts when the Automatic Extended Reporting Period described in Paragraph 1. above ends. We will notify you in writing within thirty (30) days after the date of "termination of coverage" of costs for and provisions of the Optional Extended Reporting Periods. You will have until the later of sixty (60) days after the date of "termination of coverage", or thirty (30) days after the date of mailing of the Optional Extended Reporting Period notice provided for above, to request the Optional Extended Reporting Period. Your request must be submitted to us in writing with your premium payment.

3. The Optional Extended Reporting Period Endorsement will not take effect unless the additional premium is paid when due. If that premium is paid when due, the Endorsement may not be cancelled.

If we do not receive the written request as required, you may not exercise this right at a later date.

4. If you purchase the Optional Extended Reporting Period, we will provide a single aggregate Limit of Insurance for the entire Optional Extended Reporting Period that applies to "claims" or "regulatory proceedings" first received and recorded during the Optional Extended Reporting Period. This limit will be equal to the amount of coverage remaining in the policy's Aggregate Limits entered in the Declarations in effect at the end of the "policy period".
5. A "claim" first made or "regulatory proceeding" first brought during an Extended Reporting Period will be considered made or brought during the "policy period". Extended Reporting Periods:
 - a. Do not extend the "policy period" or change the scope of coverage provided.
 - b. Apply only to a "personal data compromise", "network security incident", "electronic media incident", or "wrongful act" that occurred:

- (1) During the "coverage term"; and
- (2) Before the end of the "policy period".

- c. Apply only as excess insurance over any other insurance available to the insured, whether primary, excess, contingent, or on any other basis, whose policy period begins or continues after the Extended Reporting Period takes effect.

G. DEFINITIONS

1. **"Affected Individual"** means any person who is your current, former or prospective customer, client, patient, member, owner, student, director or employee and whose "personally identifying information" or "personally sensitive information" is lost, stolen, accidentally released or accidentally published by a "personal data compromise" covered under this Coverage Form. This definition is subject to the following provisions:

- a. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".

- b. An "affected individual" must have a direct relationship with your interests as insured under this policy. The following are examples of individuals who would not meet this requirement:

- (1) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
- (2) If you store, process, transmit or transport records, the individuals whose "personally identifying information" or "personally sensitive information" you are storing, processing, transmitting or transporting for another entity do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.

- (3) You may have operations, interests or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of the operation insured under this policy.
- c. An "affected individual" may reside anywhere in the world.
2. **"Authorized Representative"** means a person or entity authorized by law or contract to act on behalf of an "identity recovery insured".
3. **"Authorized Third Party User"** means a party who is not an employee or a director of you who is authorized by contract or other agreement to access the "computer system" for the receipt or delivery of services.
4. **"Bodily Injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
5. **"Business Income and Extra Expense Loss"** means the loss of Business Income and Extra Expense actually incurred during the Period of Restoration.
- a. As used in this definition, Business Income means the sum of:
- (1) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - (2) Continuing normal and necessary operating expenses incurred, including employee and director payroll.
- b. As used in this definition, Extra Expense means the additional cost you incur to operate your business over and above the cost that you normally would have incurred to operate your business during the same period had no "computer attack" occurred.
- c. As used in this definition, Period of Restoration means the period of time that begins at the time that the "computer attack" is discovered by you and continues until the earlier of:
- (1) The date that all data restoration, data re-creation and system restoration directly related to the "computer attack" has been completed; or
 - (2) The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and dispatch.
6. **"Claim"**
- a. Means:
- (1) A written demand for monetary damages or non-monetary relief, including injunctive relief;
 - (2) A civil proceeding commenced by the filing of a complaint;
 - (3) An arbitration proceeding in which such damages are claimed and to which you must submit or does submit with our consent;
 - (4) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you must submit or to which we agree you should submit to;
- arising from a "wrongful act" or a series of interrelated "wrongful acts" including any resulting appeal.
- b. Does not mean or include:
- (1) Any demand or action brought by or on behalf of someone who is:
 - (a) Your director;
 - (b) Your owner or part-owner; or
 - (c) A holder of your securities, in their capacity as such, whether directly, derivatively, or by class action.
 "Claim" will include proceedings brought by such individuals in their capacity as "affected individuals", but only to the extent that the damages claimed are the same as would apply to any other "affected individual"; or
 - (2) A "regulatory proceeding".
- c. Includes a demand or proceeding arising from a "wrongful act" that is a "personal data compromise" only when:
- (1) The proceeding is brought by one or more "affected individuals";
 - (2) The claimant alleges that one or more "affected individuals" suffered damages; and

- (3) The "personal data compromise" giving rise to the proceeding was covered under Data Compromise Response Expenses section of this Coverage Form, and you submitted a claim to us and provided notifications and services to "affected individuals" in consultation with us pursuant to Data Compromise Response Expenses in connection with such "personal data compromise".
7. **"Computer Attack"** means one of the following involving the "computer system":
- An "unauthorized access incident";
 - A "malware attack"; or
 - A "denial of service attack" against a "computer system".
8. **"Computer System"** means a computer or other electronic hardware that is owned or leased by you and operated under your control.
9. **"Coverage Term"** means the increment of time:
- Commencing on the earlier of the first inception date of this Cyber Coverage or the first inception date of any coverage substantially similar to that described in this Coverage Form and held immediately prior to this Cyber coverage; and
 - Ending upon the "termination of coverage".
10. **"Coverage Territory" means:**
- With respect to Data Compromise Response Expenses, Computer Attack and Cyber Extortion, and Identity Recovery, "coverage territory" means anywhere in the world.
 - With respect to Data Compromise Liability, Network Security Liability and Electronic Media Liability, "coverage territory" means anywhere in the world, however "claims" must be brought within the United States (including its territories and possessions) or Puerto Rico.
11. **"Cyber Extortion Expenses"** means:
- The cost of a negotiator or investigator retained by you in connection with a "cyber extortion threat"; and
 - Any amount paid by you in response to a "cyber extortion threat" to the party that made the "cyber extortion threat" for the purposes of eliminating the "cyber extortion threat" when such expenses are necessary and reasonable and arise directly from a "cyber extortion threat".

The payment of "cyber extortion expenses" must be approved in advance by us. We will not pay for "cyber extortion expenses" that have not been approved in advance by us. We will not unreasonably withhold our approval.

12. "Cyber Extortion Threat" means:

- "Cyber extortion threat" means a demand for money from you based on a credible threat, or series of related credible threats, to:
 - Launch a "denial of service attack" against the "computer system" for the purpose of denying "authorized third party users" access to your services provided through the "computer system" via the Internet;
 - Gain access to a "computer system" and use that access to steal, release or publish "personally identifying information", "personally sensitive information" or "third party corporate data";
 - Alter, damage or destroy electronic data or software while such electronic data or software is stored within a "computer system"; or
 - Launch a "computer attack" against a "computer system" in order to alter, damage or destroy electronic data or software while such electronic data or software is stored within a "computer system".
- "Cyber extortion threat" does not mean or include any threat made in connection with a legitimate commercial dispute.

13. "Data Re-creation Costs"

- "Data re-creation costs" means the costs of an outside professional firm hired by you to research, re- create and replace data that has been lost or corrupted and for which there is no electronic source available or where the electronic source does not have the same or similar functionality to the data that has been lost or corrupted.
- "Data re-creation costs" does not mean or include costs to research, re-create or replace:
 - Software programs or operating systems that are not commercially available; or
 - Data that is obsolete, unnecessary or useless to you.

14. "Data Restoration Costs"

- a. "Data restoration costs" means the costs of an outside professional firm hired by you to replace electronic data that has been lost or corrupted. In order to be considered "data restoration costs", such replacement must be from one or more electronic sources with the same or similar functionality to the data that has been lost or corrupted.
- b. "Data restoration costs" does not mean or include costs to research, re-create or replace:
 - (1) Software programs or operating systems that are not commercially available; or
 - (2) Data that is obsolete, unnecessary or useless to you.

15. "Defense Costs"

- a. "Defense costs" means reasonable and necessary expenses consented to by us resulting solely from the investigation, defense and appeal of any "claim" or "regulatory proceeding" against you. Such expenses may include premiums for any appeal bond, attachment bond or similar bond. However, we have no obligation to apply for or furnish such bond.
- b. "Defense costs" does not mean or include the salaries or wages of your employees or directors, or your loss of earnings.

16. "Denial of Service Attack" means an intentional attack against a target computer or network of computers designed to overwhelm the capacity of the target computer or network in order to deny or impede authorized users from gaining access to the target computer or network through the Internet.

17. "Electronic Media Incident" means an allegation that the display of information in electronic form by you on a website resulted in:

- a. Infringement of another's copyright, title, slogan, trademark, trade name, trade dress, service mark or service name;
- b. Defamation against a person or organization that is unintended; or
- c. A violation of a person's right of privacy, including false light and public disclosure of private facts;

18. "Identity Recovery Case Manager" means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured". This includes, with the permission and cooperation of the "identity recovery insured", written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.

19. "Identity Recovery Expenses" means the following when they are reasonable and necessary expenses that are incurred as a direct result of an "identity theft" suffered by an "identity recovery insured":

a. Re-Filing Costs

Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft".

b. Notarization, Telephone and Postage Costs

Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of the "identity recovery insured's" efforts to report an "identity theft" or amend or rectify records as to the "identity recovery insured's" true name or identity as a result of an "identity theft".

c. Credit Reports

Costs for credit reports from established credit bureaus.

d. Legal Costs

Fees and expenses for an attorney approved by us for the following:

- (1) The defense of any civil suit brought against an "identity recovery insured".
- (2) The removal of any civil judgment wrongfully entered against an "identity recovery insured".
- (3) Legal assistance for an "identity recovery insured" at an audit or hearing by a governmental agency.
- (4) Legal assistance in challenging the accuracy of the "identity recovery insured's" consumer credit report.
- (5) The defense of any criminal charges brought against an "identity recovery insured" arising from the actions of a third party using the personal identity of the "identity recovery insured".

e. Lost Wages

Actual lost wages of the "identity recovery insured" for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self-employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.

f. Child and Elder Care Expenses

Actual costs for supervision of children or elderly or infirm relatives or dependents of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".

g. Mental Health Counseling

Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".

h. Miscellaneous Unnamed Costs

Any other reasonable costs necessarily incurred by an "identity recovery insured" as a direct result of the "identity theft".

(1) Such costs include:

(a) Costs by the "identity recovery insured" to recover control over his or her personal identity.

(b) Deductibles or service fees from financial institutions.

(2) Such costs do not include:

(a) Costs to avoid, prevent or detect "identity theft" or other loss.

(b) Money lost or stolen.

(c) Costs that are restricted or excluded elsewhere in this Coverage Form or policy.

20. "Identity Recovery Insured" means the following:

"Identity recovery insured" means the following:

a. When the entity insured under this Coverage Form is a Religious Institution, the "identity recovery insured" is the Senior Ministerial Employee, all employed clergy, and the Head Business Official.

b. When the entity insured under this Coverage Form is an Educational Institution, the "identity recovery insured" is the Chief School Administrator (Superintendent, Head of School, Headmistress, Headmaster), the Chief Financial Officer (Business Manager, Business Administrator, Business Official, Assistant Superintendent for Finance), and the Treasurer (Board or District Treasurer).

c. When the entity insured under this Coverage Form is a Library, the "identity recovery insured" is the Head Librarian and the Assistant Librarian.

d. When the entity insured under this Coverage Form is a Volunteer Fire Department or Volunteer Ambulance Corps, the "identity recovery insured" is the Chief Officer and all other officers with a rank of Captain or above.

e. When the entity insured under this Coverage Form is not any of the above, the definition of "identity recovery insured" depends on the ownership structure of the entity as follows:

(1) When the entity insured under this Coverage Form is a sole proprietorship, the "identity recovery insured" is the individual person who is the sole proprietor of the insured entity.

(2) When the entity insured under this Coverage Form is a partnership, the "identity recovery insureds" are the current partners.

(3) When the entity insured under this Coverage Form is a corporation or other organization, the "identity recovery insureds" are all individuals having an ownership position of 20% or more of the insured entity. However, if and only if, there is no one who has such an ownership position, then the "identity theft insured" shall be the executive director of the insured entity.

An "identity recovery insured" must always be an individual person. The entity insured under this Coverage Form is not an "identity recovery insured."

21. "Identity Theft"

- a. "Identity theft" means the fraudulent use of "personally identifying information". This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.
- b. "Identity theft" does not mean or include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

22. "Loss"

- a. With respect to Data Compromise Response Expenses, "loss" means those expenses enumerated in Data Compromise Response Expenses, paragraph b..
- b. With respect to Computer Attack, "loss" means those expenses enumerated in Computer Attack, paragraph b..
- c. With respect to Cyber Extortion, "loss" means "cyber extortion expenses".
- d. With respect to Data Compromise Liability, Network Security Liability and Electronic Media Liability, "loss" means "defense costs" and "settlement costs".
- e. With respect to Identity Recovery, "loss" means those expenses enumerated in Identity Recovery, paragraph b..

23. "Malware Attack"

- a. "Malware attack" means an attack that damages a "computer system" or data contained therein arising from malicious code, including viruses, worms, Trojans, spyware and keyloggers.
- b. "Malware attack" does not mean or include damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on your "computer system" during the manufacturing process or normal maintenance.

24. "Malware-Related Compromise" means a "personal data compromise" that is caused, enabled or abetted by a virus or other malicious code that, at the time of the "personal data compromise", is named and recognized by the CERT® Coordination Center, McAfee®, Secunia, Symantec or other comparable third party monitors of malicious code activity.

25. "Network Security Incident" means a negligent security failure or weakness with respect to a "computer system" which allowed one or more of the following to happen:

- a. The unintended propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers. Malware does not include shortcomings or mistakes in legitimate electronic code;
- b. The unintended abetting of a "denial of service attack" against one or more other systems; or
- c. The unintended loss, release or disclosure of "third party corporate data".

26. "Personal Data Compromise" means the loss, theft, accidental release or accidental publication of "personally identifying information" or "personally sensitive information" as respects one or more "affected individuals". If the loss, theft, accidental release or accidental publication involves "personally identifying information", such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:

- a. At the time of the loss, theft, accidental release or accidental publication, the "personally identifying information" or "personally sensitive information" need not be at the insured premises but must be in the direct care, custody or control of:
 - (1) You; or
 - (2) A professional entity with which you have a direct relationship and to which you (or an "affected individual" at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.
- b. "Personal data compromise" includes disposal or abandonment of "personally identifying information" or "personally sensitive information" without appropriate safeguards such as shredding or destruction, provided that the failure to use appropriate safeguards was accidental and not reckless or deliberate.

- c. "Personal data compromise" includes situations where there is a reasonable cause to suspect that such "personally identifying information" or "personally sensitive information" has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
- d. All incidents of "personal data compromise" that are discovered at the same time or arise from the same cause will be considered one "personal data compromise".

27. "Personally Identifying Information"

- a. "Personally identifying information" means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an "affected individual" or "identity recovery insured". This includes, but is not limited to, Social Security numbers or account numbers.
- b. "Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses.

28. "Personally Sensitive Information"

- a. "Personally sensitive information" means private information specific to an individual the release of which requires notification of "affected individuals" under any applicable law.
- b. "Personally sensitive information" does not mean or include "personally identifying information".

29. "Policy Period" means the period commencing on the effective date shown in the Policy Declarations. The "policy period" ends on the expiration date or the cancellation date of this Coverage Form, whichever comes first.

30. "Property Damage" means

- a. Physical injury to or destruction of tangible property including all resulting loss of use; or
- b. Loss of use of tangible property that is not physically injured.

31. "Regulatory Proceeding" means an investigation, demand or proceeding alleging a violation of law or regulation arising from a "personal data compromise" brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other administrative or regulatory agency, or any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity.

32. "Settlement Costs"

- a. "Settlement costs" means the following, when they arise from a "claim":
 - (1) Damages, judgments or settlements; and
 - (2) Attorney's fees and other litigation costs added to that part of any judgment paid by us, when such fees and costs are awarded by law or court order; and
 - (3) Pre-judgment interest on that part of any judgment paid by us.
- b. "Settlement costs" does not mean or include:
 - (1) Civil or criminal fines or penalties imposed by law, except for civil fines and penalties expressly covered under Data Compromise Response Expenses;
 - (2) Punitive and exemplary damages;
 - (3) The multiple portion of any multiplied damages;
 - (4) Taxes; or
 - (5) Matters which may be deemed uninsurable under the applicable law.
- c. With respect to fines and penalties, the law of the jurisdiction most favorable to the insurability of those fines, or penalties will control for the purpose of resolving any dispute between us and you regarding whether the fines, or penalties specified in this definition above are insurable under this Coverage Form, provided that such jurisdiction:
 - (1) Is where those fines or penalties were awarded or imposed;
 - (2) Is where any "wrongful act" took place for which such fines or penalties were awarded or imposed;
 - (3) Is where you are incorporated or you have your principal place of business; or
 - (4) Is where we are incorporated or have our principal place of business.

33. "System Restoration Costs"

- a. "System restoration costs" means the costs of an outside professional firm hired by you to do any of the following in order to restore your computer system to its pre-"computer attack" level of functionality:
 - (1) Replace or reinstall computer software programs;
 - (2) Remove any malicious code; and

- (3) Configure or correct the configuration of your computer system.
- b. "System restoration costs" does not mean or include:
 - (1) Costs to increase the speed, capacity or utility of a "computer system" beyond what existed immediately prior to the "computer attack";
 - (2) Labor costs of your employees or directors;
 - (3) Any costs in excess of the actual cash value of your computer system; or
 - (4) Costs to repair or replace hardware.
- 34. "Termination of Coverage"** means any:
 - a. Cancellation or nonrenewal of this coverage.
- 35. "Third Party Corporate Data"**
 - a. "Third party corporate data" means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not an insured under this Coverage Form which is not available to the general public and is provided to you subject to a mutually executed written confidentiality agreement or which you are legally required to maintain in confidence.
- b. "Third party corporate data" does not mean or include "personally identifying information" or "personally sensitive information".
- 36. "Unauthorized Access Incident"** means the gaining of access to a "computer system" by:
 - a. An unauthorized person or persons; or
 - b. An authorized person or persons for unauthorized purposes.
- 37. "Wrongful Act"**
 - a. With respect to Data Compromise Liability, "wrongful act" means a "personal data compromise".
 - b. With respect to Network Security Liability, "wrongful act" means a "network security incident".
 - c. With respect to Electronic Media Liability, "wrongful act" means an "electronic media incident".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF WRONGFUL ACT DEFINITION (EXCLUSION OF CYBER-RELATED DAMAGE)

This endorsement modifies insurance provided under the following if included with your policy:

CHILD CARE LEGAL LIABILITY COVERAGE FORM
CLERGYPERSON PROFESSIONAL LEGAL LIABILITY COVERAGE FORM
CONTRACTORS ERRORS AND OMISSIONS COVERAGE FORM
EMPLOYEE BENEFIT PROGRAMS LIABILITY COVERAGE FORM
LEGAL LIABILITY COVERAGE FORM
MANUFACTURERS ERRORS AND OMISSIONS COVERAGE FORM
RELIGIOUS INSTITUTIONS DIRECTORS AND OFFICERS LEGAL LIABILITY COVERAGE FORM
SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE FORM
SECURITY PERSONNEL LEGAL LIABILITY COVERAGE FORM
VOLUNTEER FIRE DEPARTMENT DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM
VOLUNTEER FIRE DEPARTMENT ERRORS AND OMISSIONS LIABILITY COVERAGE FORM

The following changes apply to the **Definitions** Section:

A. The following is added as the last paragraph of "wrongful act":

However, "wrongful act" does not include any breach of duty, negligent act, error or omission committed by an insured which causes or results in "cyber-related damage".

B. The following definition is added:

"Cyber-related damage" means any "loss" due to or arising out of a computer, computer system or network of computers because of:

- 1.** Theft, loss, release, disclosure or publication of:
 - a.** Anyone's personally identifiable information, medical or healthcare data including protected health information; or
 - b.** Any confidential information of another business in your possession not available to the general public including trade secrets, designs, records, reports, interpretations, forecasts, formulas, methods, practices, or processes.

- 2.** Failure to comply with your privacy policy.
- 3.** Violation of any statute or regulation addressing the control, use or protection of personally identifiable information.
- 4.** The inability or failure of any technical, physical or human security measures to prevent unauthorized intrusion, access to, copying, scanning, viewing or unauthorized use of any computer system.
- 5.** The unintended:
 - a.** Propagation or forwarding of any electronic mail, malware, malicious code, virus, worm, Trojan, spyware or other similar malicious software program designed to infect and damage, destroy, distort, contaminate, delete, erase, corrupt, alter, modify, deface, degrade, or disrupt a computer system, harm data on a computer system, or steal data from a computer system; or
 - b.** Abetting of a denial of service attack against another computer, computer system or network of computers.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF EMPLOYMENT-RELATED PRACTICES DEFINITION (EXCLUSION OF CYBER-RELATED DAMAGE)

This endorsement modifies insurance provided under the following:

EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE FORM
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE

The following changes apply to the **Definitions** Section:

- A.** The following is added as the last paragraph of "employment-related practices":

However, "employment-related practices" does not include any practices which cause or result in "cyber-related damage".

- B.** The following definition is added:

"Cyber-related damage" means any "damages" due to or arising out of a computer, computer system or network of computers because of:

- 1.** Theft, loss, release, disclosure or publication of:
 - a.** Anyone's personally identifiable information, medical or healthcare data including protected health information; or
 - b.** Any confidential information of another business in your possession not available to the general public including trade secrets, designs, records, reports, interpretations, forecasts, formulas, methods, practices, or processes.

- 2.** Failure to comply with your privacy policy.
- 3.** Violation of any statute or regulation addressing the control, use or protection of personally identifiable information.
- 4.** The inability or failure of any technical, physical or human security measures to prevent unauthorized intrusion, access to, copying, scanning, viewing or unauthorized use of any computer system.
- 5.** The unintended:
 - a.** Propagation or forwarding of any electronic mail, malware, malicious code, virus, worm, Trojan, spyware or other similar malicious software program designed to infect and damage, destroy, distort, contaminate, delete, erase, corrupt, alter, modify, deface, degrade, or disrupt a computer system, harm data on a computer system, or steal data from a computer system; or
 - b.** Abetting of a denial of service attack against another computer, computer system or network of computers.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

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

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

- (1)** The additional insured is a Named Insured under such other insurance; and

- (2)** You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

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

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED LOCATION(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Location(s):

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

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section **I** – Coverage **A**, and for all medical expenses caused by accidents under Section **I** – Coverage **C**, which can be attributed only to operations at a single designated "location" shown in the Schedule above:
- 1.** A separate Designated Location General Aggregate Limit applies to each designated "location", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 - 2.** The Designated Location General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage **C** regardless of the number of:
 - a.** Insureds;
 - b.** Claims made or "suits" brought; or
 - c.** Persons or organizations making claims or bringing "suits".
 - 3.** Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Designated Location General Aggregate Limit for that designated "location". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Location General Aggregate Limit for any other designated "location" shown in the Schedule above.
 - 4.** The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Location General Aggregate Limit.

- B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section **I** – Coverage **A**, and for all medical expenses caused by accidents under Section **I** – Coverage **C**, which cannot be attributed only to operations at a single designated "location" shown in the Schedule above:
- 1.** Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
 - 2.** Such payments shall not reduce any Designated Location General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Location General Aggregate Limit.
- D.** For the purposes of this endorsement, the **Definitions** Section is amended by the addition of the following definition:
- "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
- E.** The provisions of Section **III** – Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – WITH LIMITED BODILY INJURY EXCEPTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.p. of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

- p. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or 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.

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

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – UNMANNED AIRCRAFT (COVERAGE B ONLY)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Unmanned Aircraft

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

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

This exclusion does not apply to:

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

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

"Unmanned aircraft" means an aircraft that is not:

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LIQUOR LIABILITY EXCLUSION – EXCEPTION FOR SCHEDULED PREMISES OR ACTIVITIES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description Of Premises Or Activities:

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

The following replaces Exclusion **c.** under Paragraph **2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

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, 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;
- (2)** The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3)** Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a)** The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b)** Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph **(1)**, **(2)** or **(3)** above.

This exclusion applies only if you:

- (1)** Manufacture, sell or distribute alcoholic beverages;
- (2)** Serve or furnish alcoholic beverages for a charge whether or not such activity:
 - (a)** Requires a license;
 - (b)** Is for the purpose of financial gain or livelihood;
- (3)** Serve or furnish alcoholic beverages without a charge, if a license is required for such activity; or
- (4)** Permit any person to bring any alcoholic beverages on your premises, for consumption on your premises.

However, this exclusion does not apply to "bodily injury" or "property damage" arising out of:

- (i)** The selling, serving or furnishing of alcoholic beverages at the specified activity described in the Schedule; or
- (ii)** Permitting any person to bring any alcoholic beverages on the premises described in the Schedule, for consumption on the premises described in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2., **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:

2. Exclusions

This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" (or "personal and advertising injury" if defined as such in your policy) arising directly or indirectly out of:

a. Any actual or alleged failure, malfunction or inadequacy of:

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

- (a)** Computer hardware, including microprocessors;
- (b)** Computer application software;
- (c)** Computer operating systems and related software;

(d) Computer networks;

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

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

(2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **2.a.(1)** of this endorsement

due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **2.a.** of this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

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 bodily consumption.

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

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Personal and 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 expense 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.

- C. The following definition 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- 1.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY ADDITIONAL DEFENSE COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE FORM

The following is added to part 1. Insuring Agreement of Section I - School District And Educators Legal Liability Coverage.

Additional Defense Coverage

- a. We will also have the right and duty to defend any "suit" which fits any of the Defense Coverage areas below for which a premium is shown in the Schedule.

SCHEDULE*

	Additional Defense Coverage Area	Aggregate Defense Limit For Each Annual Policy Year	Premium
(1)	"Suits" Seeking No Pecuniary Relief	\$100,000	\$ 701
(2)	"Hearings" Seeking No Pecuniary Relief**	\$25,000	\$
(3)	"Suits" Alleging Failure To Provide An Appropriate Individualized Education Program (IEP)	\$100,000	\$
(4)	"Suits" Alleging "Loss" From Asbestos***	\$50,000	\$ 701
(5)	"Suits" Alleging Failure To Purchase or Maintain Adequate Limits of Insurance***	\$100,000	\$ 701

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

** Only available in Connecticut, Massachusetts and New Hampshire

*** Not available in New York

REVISED IEP LIMITS

Per Suit	\$	Aggregate	\$	Premium	\$ 0
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- b. (1) (a)** Only as respects Additional Defense Coverage under **a.(1)** above, "Suits" Seeking No Pecuniary Relief, the term "suits" means a judicial proceeding in a court of law or equity in which no "loss" is claimed and shall not include "suits" alleging failure to provide an appropriate Individualized Education Program (IEP) or an administrative hearing, a proceeding before an educational agency, an E.E.O.C. proceeding or any similar proceeding, hearing, mediation or arbitration.
- (2) (a)** Only as respects Additional Defense Coverage under **a.(2)** above, "Hearings" Seeking No Pecuniary Relief, the term "hearings" means:
- (i)** An administrative proceeding;
 - (ii)** A proceeding before an educational agency that is not a "hearing" alleging failure to provide an appropriate Individualized Education Program (IEP); or
 - (iii)** An E.E.O.C. proceeding or any similar proceeding, mediation or arbitration in which no damages are claimed.
- (b)** Our duty to defend under item **a.(2)** above is limited to those "hearings" to which the insurance provided by this Coverage Part would apply if pecuniary damages were being sought and ends when the Aggregate Defense Limit For Each Annual Policy Year shown above for such "hearings" is exhausted by payment of defense expenses.
- (3)** Only with respect to Additional Defense Coverage under **a.(3)** above, "Suits" Alleging Failure To Provide An Appropriate Individualized Education Program (IEP):
- (a)** The term "suits" means a judicial proceeding in a court of law or equity in which no "loss" is claimed and shall include an administrative hearing or a proceeding before an educational agency or any similar proceeding, hearing, mediation or arbitration.
 - (b)** Subject to Paragraph **(5)** below, unless a Revised IEP Per Suit Limit is shown, the most we will pay for any one "suit" alleging failure to provide an appropriate Individualized Education Program (IEP) is \$15,000.
- (4)** Our duty to defend under items **a.(1)** and **a.(3)** above is limited to those "suits" to which the insurance provided by this Coverage Part would apply if "loss" was being sought and ends when the Aggregate Defense Limit For Each Annual Policy Year shown above for such "suits" is exhausted by payment of "defense costs".
- (5)** For the Additional Defense Coverage under **a.(1)**, **a.(2)**, **a.(3)**, **a.(4)** and **a.(5)** above, the most we will pay during each separate 12 month period of this policy for the sum of all "defense costs" under the Additional Defense Coverage granted by this endorsement is the Aggregate Defense Limit For Each Annual Policy Year applicable to the Additional Defense Coverage area shown in the Schedule above.
- For the Additional Defense Coverage under **a.(3)**, if a Revised IEP Aggregate Limit is shown, that limit supersedes the amount shown in the Schedule and is the most we will pay during each separate 12 month period of this policy for the sum of all "defense costs" for "suits" alleging failure to provide an appropriate Individualized Education Program (IEP).
- The Aggregate Defense Limit For Each Annual Policy Year applicable to the Additional Defense Coverage area shown in the Schedule above applies regardless of the number of insureds, claims made or "suits" brought or persons or organizations making claims or bringing "suits". The Aggregate Defense Limit For Each Annual Policy Year applies 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 Aggregate Defense Limit For Each Annual Policy Year will be increased in proportion to any policy extension provided.
- (6)** As respects Additional Defense Coverage under **a.(4)**, "Suits" Alleging "Loss" From Asbestos and **a.(5)**, "Suits" Alleging Failure To Purchase or Maintain Adequate Limits of Insurance, the term "suits" has the meaning given in Section **VIII** - Definitions.
- (7)** Our duty to defend under item **a.(4)** above is not subject to exclusion **k.** and our duty to defend under item **a.(5)** above is not subject to exclusion **a.** of this Coverage Form and ends when the applicable Aggregate Defense Limit For Each Annual Policy Year shown above for such "suits" is exhausted by payment of defense expenses.
- (8)** The defense coverage granted by this endorsement will apply only under **a.(1)**, **a.(2)**, **a.(3)**, **a.(4)** or **a.(5)** above, but not under more than one for any one "suit", whether as defined in this endorsement or that given in Section **VIII** - Definitions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CANCELLATION OR NONRENEWAL CHANGE
NEW JERSEY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. It is agreed that we may cancel or nonrenew this policy by mailing or delivering to the first Named Insured written notice of cancellation or nonrenewal at least sixty (60) days before the effective date of cancellation.
- B. This provision does not apply if the policy is cancelled for nonpayment of premium; or existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2 (f).
- C. These provisions supplement, but do not replace, those of the specific state's change endorsement for cancellation or nonrenewal except for the increased minimum notice requirement in A above, subject to the exceptions in B and D of this endorsement.
- D. If these provisions conflict with any state law or regulation governing the cancellation/nonrenewal of this policy, then such law or regulation shall prevail and this policy is amended to conform with such law or regulation.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KNOWLEDGE OF OCCURRENCE, CLAIM OR SUIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is agreed that knowledge of an "occurrence," claim or "suit" by any agent, servant, or employee of the insured shall not in itself constitute knowledge by the insured, unless an executive officer of the named insured corporation (or individual designated by an executive officer to receive such notice) shall have received notice of such an "occurrence," claim or "suit."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF OCCURRENCE, CLAIM, OR SUIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is agreed that failure by any agent, servant, or employee (except an executive officer, or individual designated by an executive officer to give such notice) of the insured to notify the company of any "occurrence," claim or "suit" of which such person has knowledge shall not invalidate the insurance afforded by this policy as respects the Named Insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**UNINTENTIONAL FAILURE
TO DISCLOSE HAZARDS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Failure of the insured to disclose all hazards existing as of the inception date of the policy shall not invalidate the insurance afforded by this policy if such failure or omission is not intentional.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED POLLUTION COVERAGE EXTENSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Pollution Liability Aggregate Limit \$100,000

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

A. The following is added to Section I - Coverages:

**SECTION I - POLLUTION 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" included within the "pollution liability hazard" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. However, we will have no duty to defend an 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 "pollution occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (see Section C. below); and
- (2) Our right and duty to defend end when we have used up the Pollution Liability Aggregate Limit 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 (See Section B. below).

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

- (1) The "bodily injury" or "property damage" is caused by a "pollution occurrence" that takes place in the "coverage territory;" and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. 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. Pollution Clean Up

Any loss, cost or expense arising out of any:

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

b. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

c. 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.

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 (1) 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.

f. Hostile Fire

Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

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 does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - a. Less than 26 feet long; and
 - b. Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured; or
- (4) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment" in the DEFINITIONS section.

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. Damage to Property

"Property damage" to:

- (1) Property you own, rent, or occupy;
- (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; or
- (4) Personal property in the care, custody or control of the insured.

j. Products Completed Operations Hazard

"Bodily injury" or "property damage" included within the "products-completed operations hazard."

k. Underground Tanks and Piping

"Bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, filling or emptying of any underground tank and any associated underground piping.

- B. Supplementary Payments - Coverages A. and B.** of the Commercial General Liability Coverage Form also apply to the Pollution Bodily Injury and Property Damage Liability Coverage.

C. The following is added to Section III - Limits Of Insurance:

Pollution Liability Aggregate Limit

The Pollution Liability Aggregate Limit is the most we will pay for all damages because of "bodily injury" or "property damage" included in the "pollution liability hazard".

The Pollution Liability Aggregate Limit is the most we will pay regardless of the number of:

1. Insureds;
2. Claims made or "suits" brought; or
3. Persons or organizations making claims or bringing "suits".

Only the Pollution Liability Aggregate Limit in effect on the date of "manifestation" of "bodily injury" or "property damage" from the "pollution liability hazard" will apply. This includes any increased injury or damage which results from continued or repeated exposure to those same pollutants after the expiration of the policy period.

The Pollution Liability Aggregate Limit applies separately to each consecutive annual policy period and to any remaining policy 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 policy period will be deemed part of the last preceding period for purposes of determining the Pollution Liability Aggregate Limit of Insurance.

D. Paragraph 4, Other Insurance, of CONDITIONS (Section IV) of the Commercial General Liability Coverage Form also applies to the Pollution Bodily Injury and Property Damage Liability Coverage.

E. The following additional definitions apply:

1. "Manifestation" means the date that the:
 - a. "Bodily injury" becomes known or reasonably capable of medical diagnosis, whichever is earlier; or
 - b. "Property damage" is discovered by the injured person or property owner.

2. "Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

3. "Pollution liability hazard" means all "bodily injury" and "property damage" arising out of the discharge, dispersal, seepage, migration, release or escape of "pollutants" at or from:

- a. A premises you own, rent or occupy. This does not include a premises that is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
- b. Any site or location on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations. This does not include 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".

4. "Pollution occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions which results in "bodily injury" or "property damage" included within the "pollution liability hazard."

F. The following definition of "property damage" applies to the Pollution Bodily Injury and Property Damage Liability Coverage instead of the definition for the same term in the Commercial General Liability Coverage Form:

"Property Damage" means

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "pollution occurrence" that caused it.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - EDUCATIONAL INSTITUTIONS

This endorsement modifies insurance provided under the following:

SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE PART

SCHEDULE

Additional Insured:

INTERIM SCHOOL OFFICER OR INTERIM SCHOOL OFFICIAL

Total Advance Premium: \$

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

1. WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization (called additional insured) shown in the Schedule above, but only with respect to liability arising out of your "educational institution" activities.
2. Such insurance as is provided by this endorsement for any additional insured does not apply to "wrongful acts" arising out of:
 - a. The independent acts or omissions of such additional insured.
 - b. The rendering of or failure to render any professional services if the additional insured is an architect, engineer or surveyor.

"Professional services," as used in this exclusion, include:

 - (1) Preparing, approving, or failing to prepare or approve: maps, shop drawings, opinions, reports, surveys, field orders, change orders, drawings or specifications;
 - (2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Supervisory, inspection, architectural or engineering activities.
 - c. Construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, track, road-bed, tunnel, underpass or crossing.
3. Such insurance as is provided by this endorsement for any additional insured will be excess over any other insurance available to such person or organization.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY EMPLOYMENT-RELATED PRACTICES CHANGES - LOSS INFORMATION

This endorsement modifies insurance provided under the following:

EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE

Condition **12.** Your Right to "Claim" and "Employment-Related Practice" Information (Section **VI**) is replaced by the following:

12. Your Right to Loss Information.

We will provide the first Named Insured shown in the Declarations the following loss information relating to this and any preceding "Employment-Related Practices" Liability claims-made insurance we have issued to you during the previous three years:

- a.** A list or other record of each "employment-related practice" of which we were notified in accordance with paragraph **2.a.** of the Duties in the Event of "Employment-Related Practices" or "Claims" Condition in this Section. We will include a brief description of the "employment-related practices" and information on whether any "claim" arising out of the "employment-related practices" are open or closed.
- b.** A summary by policy year, of payments made and amounts reserved, stated separately for "damages" or "defense costs" under any applicable Aggregate Limit.
- c.** A description of closed "claims" and/or open "claims" including the date and description of "employment-related practices," amount of payment, if any, and an estimate of reserves, if any; stated separately, for "damages" or "defense costs."

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

You must not disclose this information to any claimant or any claimant's representative without our consent.

We will provide this information only if we receive a written request from the first Named Insured during the "policy period." We will provide this information within 45 days of receipt of the request.

We compile claim and "employment-related practice" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers or others to whom this information is furnished by or on behalf of any insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EDUCATIONAL INSTITUTION COVERAGE ENDORSEMENT

SCHEDULE*

Student Medical Expenses Limit \$ 0

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to the operation of any educational institution by you or on your behalf the insurance is amended as follows:

A. NEW JERSEY LAWS

The following applies only to a policy issued to an insured for exposures which exist in New Jersey: Such insurance as is afforded by the Policy applies to the obligations imposed upon you by N.J.S.A. 18A: 12-20; 18A: 16-6; and if permitted by law, 18A: 16-6.1.

B. STATE OF NEW YORK LAWS

The following applies only to a policy issued to an insured for exposures which exist in the State of New York:

Such insurance as is afforded by the Policy applies:

1. To the obligations imposed upon you by Sections 3023, 3028, 3811 of the Education law of the State of New York; and
2. To the obligations imposed upon you by Section 18 of the Public Officers Law of the State of New York, if you have elected, in accordance with the law, to come within its purview.

C. STUDENT MEDICAL EXPENSE EXCLUSION

The following exclusion is added to COVERAGE C (SECTION I):

We will not pay expenses for "bodily injury" to your student.

This exclusion does not apply if the Schedule above shows a Student Medical Expenses Limit.

D. HOSPITAL EXCLUSION

The following exclusion is added to COVERAGES A and B (SECTION I):

If the educational institution owns or operates a clinic or hospital, this insurance does not apply to "bodily injury," "property damage," or "personal and advertising injury" caused by:

- a. The rendering or failure to render:
 - (1) Medical, surgical, dental, x-ray or nursing service or treatment, or the related furnishing of food or beverages;
 - (2) Any health or therapeutic service, treatment, advice or instruction; or
 - (3) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming.
- b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or
- c. The handling or treatment of dead bodies, including autopsies, organ donation or other procedures.

The term clinic as used in this endorsement does not include an infirmary with facilities only for lodging and treatment of students.

E. EXTENDED BODILY INJURY COVERAGE

Under Paragraph 2. Exclusions of Section - I Coverage A, the Expected Or Intended Injury exclusion is replaced by the following:

Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" resulting from:

- (1) The use of reasonable physical force to protect oneself or other persons from physical injury;
- (2) The use of reasonable physical force to protect the property of the educational institution or others; or
- (3) The use of reasonable physical force to restrain or remove a pupil whose behavior is interfering with the orderly exercise and performance of educational institution functions, powers and duties, if that pupil has refused to comply with a request to refrain from further disruptive acts.

The following is added only if the policy is issued to an insured for exposures which exist in New Jersey:

- (4) The use of force which is reasonable and necessary:
 - (a) To quell a disturbance, threatening physical injury to others; and/or
 - (b) To obtain possession of weapons or other dangerous objects upon the person or within the control of a pupil; and/or
 - (c) For the purpose of self-defense.

The following is added only if the policy is issued to an insured for exposures which exist in Georgia:

- (4) Corporal punishment administered to a student by a teacher, principal, or other executive or administrative official of the school or school punishment is:
 - (a) Administered without malicious intent and without intent to cause injury; and
 - (b) Administered in compliance with the school's or the school district's regulations governing corporal punishment.

F. BODILY INJURY OR PROPERTY DAMAGE FROM POLLUTION - EDUCATIONAL INSTITUTION ACTIVITIES WITHIN BUILDINGS

Under Paragraph 2. Exclusions of Section - I Coverage A, the following is added to part (1)(a) of the Pollution exclusion:

- (iv) "Bodily injury" or "property damage" arising from activities and functions that are characteristic of, or distinctive to any educational institution curriculum or program which occur within buildings on educational institution premises of any insured. However, except for swimming pool chemicals that are used and stored in compliance with all applicable laws, regulations and license requirements, this exception does not apply to building operations, maintenance or repair.

This provision does not apply to exposures in the state of Vermont.

G. AIRCRAFT, AUTO OR WATERCRAFT EXCLUSION REVISED (PROVIDES CERTAIN COVERAGES FOR NONOWNED WATERCRAFT AND MODEL AIRCRAFT)

Exclusion g. of COVERAGE A (SECTION I) is replaced by the following:

g. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, "loading or unloading" or entrustment to others of any aircraft, "auto" or watercraft that is owned, operated or hired by, or rented or loaned to, any insured. For the purpose of this exclusion, the word hired includes any contract to furnish transportation of students to and from schools.

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) An aircraft that is:
 - (a) Hired, chartered or loaned to an insured with a paid crew; and
 - (b) Not owned by an insured;
- (2) A watercraft while ashore on premises you own or rent;
- (3) A watercraft you do not own that is:
 - (a) Not being used to carry persons or property for a charge which is intended to make a profit for your educational institution; and
 - (b) Not being used to furnish transportation of your students to and from schools.

Exceptions (1) and (3) to this exclusion g. do not apply, and exclusion g. is fully applicable, to any aircraft or watercraft to which any other insurance covering "bodily injury" or "property damage" is available to the insured. This is so whether the other insurance applies on a primary, excess, contingent or any other basis, except for any insurance specifically written as excess over this insurance.

- (4) 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;
- (5) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

- (6) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph e.(1), f.(2) or f.(3) of the definition of "mobile equipment."

With respect to (5) above, "insured contract" does not include any contract to furnish transportation of your students to and from schools.

As used in this exclusion, aircraft means any contrivance used or designed for flight, except model rockets:

- (i) Used with any educational institution curriculum or program; and
- (ii) Not used or designed to carry people or cargo.

H. EXTENDED PROPERTY DAMAGE COVERAGE

- a. With respect to property in your care, custody or control, the following is added to Exclusion j. of **COVERAGE A (SECTION I)**:

Paragraph (4) of this exclusion applies only to:

- (a) Liability assumed by you under any contract or agreement; or
- (b) "Property damage" to property which is:
 - (i) Owned or occupied by or rented to you; or
 - (ii) Held by you for sale or entrusted to you for storage or safe keeping.

Part (ii) does not apply to "property damage" arising from the use of elevators.

- b. Exclusion j.(4) under **SECTION I - COVERAGE A**. applies as follows:

- (i) This exclusion always applies to "property damage" to property of others which occurs at premises you own, rent or control.
- (ii) With respect to "property damage" to personal property of others which occurs away from premises you own, rent or control, this exclusion will apply only when the "property damage" is:
 - (a) To property which you have contracted to install;
 - (b) The direct result of the property being raised, lowered or otherwise moved by a crane;
 - (c) To "mobile equipment" or an "auto;"
 - (d) To that particular part of property which you are attempting to service or repair; or
 - (e) Covered by other insurance which will pay for the "property damage."

- c. The following are added to exclusion j.

SECTION I - COVERAGE A.:

- (1) Paragraphs (3), (4) and (6) of exclusion j. of **SECTION I - COVERAGE A** do not apply to the use of elevators.
- (2) Paragraph (4) of this exclusion does not apply to "property damage," to borrowed equipment while not being used to perform operations at the job site.

This extended property damage liability coverage shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to the insured. This applies to insurance such as, but not limited to, fire, extended coverage, builder's risk coverage or installation risk coverage. The other insurance condition of the policy is amended accordingly.

I. PERSONAL AND ADVERTISING INJURY - CONTRACTUAL LIABILITY

Under **Section I - Coverage B - Personal And Advertising Injury**, the following is added to Exclusion e. **Contractual Liability**:

This exclusion does not apply to liability for damages assumed in a contract or agreement that is an "insured contract", provided the offense causing the "personal and advertising injury" was committed subsequent to the execution of the contract or agreement.

J. FIRE, LIGHTNING OR EXPLOSION DAMAGE

- a. The last paragraph of **COVERAGE A. (SECTION I)** (after the exclusions) is replaced by the following:

Exclusions c. through n. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III - LIMITS OF INSURANCE**.

- b. Paragraph 6. of **SECTION III - LIMITS OF INSURANCE** is replaced by the following:

6. Subject to 5. above, the most we will pay under **COVERAGE A.** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire, lightning strike or explosion is the greater of:

(1) \$500,000; or

(2) The Damage To Premises Rented To You Limit shown in the Declarations.

The Damage To Premises Rented To You Limit applies to all loss or damage caused by or resulting from fire, lightning, or explosion; or any combination of these causes in a single incident.

- c. Paragraph 4.b.(1)(a)(ii) of **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is replaced by the following:

(ii) That is Fire and Extended Coverage insurance for premises rented to you or temporarily occupied by you with permission of the owner;

K. SUPPLEMENTARY PAYMENTS

Under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B:**

- a. The paragraph related to bail bonds is replaced by the following which increases the limit:
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.
- b. The paragraph related to reasonable expenses incurred by the insured at our request is replaced by the following which increases the limit:
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.

L. WHO IS AN INSURED (ADDS APPOINTED OR ELECTED OFFICIALS, STUDENTS FOR CERTAIN ACTIVITIES AND AUXILIARY INSTRUCTORS)

The following replaces 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 and your managers are also insureds, but only with respect to conduct of your business.
- 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.

2. Each of the following is also an insured:

- a. Your "employees", other than your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your members 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.
- b. Your "volunteer workers" and students who participate in internships, school-to-work or other similar programs, but only while acting:
(1) Under your direction and within the scope of duties for you; or
(2) Under your curriculum requirements. When used in this Coverage Form, "students who participate in internships, school-to-work or other similar programs" means a person who is not paid a fee, salary, or other remuneration.
- c. Auxiliary instructors for any insured, but only while acting under the direction of, and within the scope of duties for such insured.

However, no "employee," "volunteer worker", auxiliary instructor or your members or your managers (if you are a limited liability company) is an insured for:

- (1) "Bodily injury" or "personal and advertising injury":
- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members or your managers (if you are a limited liability company), or to a co-"employee," co-"volunteer worker" or co-instructor while that co-"employee," co-"volunteer worker" or co-instructor is either in the course of his or her employment or while performing duties related to the conduct of your business or your curriculum requirements;
- (b) To the spouse, child, parent, brother or sister of that co-"employee," co-"volunteer worker" or co-instructor as a consequence of paragraph (1)(a) above; or
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (1)(b) above.

- (2) "Property damage" to property owned, occupied or used by, rented or over which physical control is being exercised for any purpose by:
 - (a) Any of your "employees", "volunteer workers" or instructors; or
 - (b) You, or if you are a partnership or joint venture, any partner or member;
 - (c) Any member or manager if you are a limited liability company.
- d. Any of the following, but only with respect to their duties in connection with the positions described below:
 - (1) Any of your appointed or elected administrative officials;
 - (2) Any of your trustees or members of your Board of Governors if you are a private charitable or educational institution;
 - (3) Any of your board members or commissioners if you are a public board or commission; or
 - (4) Any student teachers teaching as part of their educational requirements.
- e. Any person (other than your "employee"), or any organization while acting as your real estate manager.
- f. 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.
- g. 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. As used in this endorsement, the term auxiliary instructor means any person acting in a teaching capacity who is neither an employee of nor a "volunteer worker" for an insured.
- 4. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured,

but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
 - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.
5. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 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.
- No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.
6. The following is added under SECTION II - WHO IS AN INSURED:
- a. Any organization, not shown in the Declarations as a Named Insured, which is a legally incorporated entity, if you own more than 50% of the outstanding securities representing the present right to vote for the election of its directors; or
 - b. Any organization, not shown in the Declarations as a Named Insured, which is a legally incorporated entity, if more than 50% of the outstanding securities representing the present right to vote for the election of its directors is owned by an organization described in paragraph **6.a.** above; is also an insured.

The insurance afforded under paragraphs **6.a.** and **6.b.** applies only if no other insurance of any kind is available to such entity for this kind of liability.

M. ADDITIONAL INSURED - BY CONTRACT, AGREEMENT OR PERMIT - INCLUDING LESSOR OF LEASED EQUIPMENT, OWNER OF LEASED LAND, MANAGERS OR LESSORS OF PREMISES, ENGINEERS, ARCHITECTS AND SURVEYORS AND VENDORS

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

a. Additional Insureds - By Contract, Agreement or Permit

(1) Any person or organization with whom you have entered into a written contract, agreement or permit requiring you to provide insurance such as is afforded by this Commercial General Liability Coverage Form will be an additional insured, but only with respect to liability arising out of your ongoing operations, "your work," or property owned or used by, or rented or leased to, you. The insurance afforded any additional insured under this paragraph **M.a.(1)** will be subject to all applicable exclusions or limitations described in paragraphs **M.b.(1), (2), (3) and (4)** and in **M.c.(1), (2), (3), (4), (5), (6) and (7)** below.

(2) Such insurance as is provided by paragraph **M.a.(1)** for any additional insured will be primary, if so required by the written contract, agreement or permit. Any other insurance available to such person or organization shall be excess over this insurance.

The Limits of Insurance applicable to the additional insureds are those specified in the written contract, agreement or permit or in the Declarations for this policy, whichever is less. These Limits of Insurance are inclusive of and not in addition to the Limits of Insurance shown in the Declarations.

(3) A person's or organization's status as an additional insured in connection with a written contract, agreement or permit under paragraphs **M.a.(1), (2) and (3)** ends when your operations for that additional insured are completed or the written contract, agreement or permit is terminated or expires.

b. Additional Exclusions or Limitations

(1) Lessor of Leased Equipment

If an equipment lessor is an additional insured as a result of the provisions of paragraphs **M.a.(1), (2) and (3)** above, the following additional exclusion applies:

This insurance does not apply to "bodily injury" or "property damage" arising out of the sole negligence of such additional insured.

(2) Owner of Leased Land

If an owner or other interest from whom land has been leased is an additional insured as a result of the provisions of paragraphs **M.a.(1), (2) and (3)** above, the following additional exclusions apply:

This insurance does not apply to:

- (a) Any "occurrence" that takes place after you cease to lease that land; or
- (b) Structural alterations, new construction or demolition operations performed by or for the owner or other interest from whom the land was leased.

(3) Managers or Lessors of Premises

If a manager or lessor of premises you rent or lease is an additional insured as a result of the provisions of paragraphs **M.a.(1), (2) and (3)** above, the following additional exclusions apply:

This insurance does not apply to:

- (a) Any "occurrence" that takes place after you cease to be a tenant in those premises; or
- (b) Structural alterations, new construction or demolition operations performed by or for the manager or lessor of those premises.

(4) Engineers, Architects or Surveyors

If an engineer, architect or surveyor is an additional insured as a result of the provisions of paragraphs **M.a.(1), (2) and (3)** above, the following additional exclusions apply:

This insurance does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of the rendering or failing to render any professional services by or for you, including:

- (a) The preparing, approving, or failing to 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 injury.

(5) Vendor's of "Your Products"

If a vendor of "your products" is an additional insured under this Coverage Part, such insurance as is provided to the additional insured applies only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and subject to the following additional exclusions:

(a) This insurance afforded the vendor does not apply to:

- (i) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability that the vendor would have in the absence of the contract or agreement;
- (ii) Any express warranty unauthorized by you;
- (iii) Any physical or chemical change in the product made intentionally by the vendor;
- (iv) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (v) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- (vi) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product; or

(vii) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.

(b) This insurance afforded the vendor does not apply to any person or organization from whom you have acquired such products, or any ingredient, part or container entering into, accompanying or containing such products.

No insurance will be provided under this vendors coverage if "bodily injury" or "property damage" under the "products-completed operations hazard" is excluded by any of the exclusions or other provisions of this Coverage Form or by any endorsement.

c. Such insurance as is afforded for any additional insured under paragraph **M.a.** or **b.** above is subject to all applicable exclusions of **2. Exclusions, COVERAGE A (Section I)**, other than exclusion **b. Contractual Liability**, to all exclusions or limitations stated with the coverage language, and to the following additional exclusions:

This insurance does not apply to:

- (1) The independent acts or omissions of such additional insured.
- (2) Any liability arising from injury or damage in connection with a contract or agreement executed or permit issued subsequent to:
 - (a) The occurrence of any "bodily injury" or "property damage"; or
 - (b) The commission of any offense which caused "personal and advertising injury."
- (3) Any liability arising from construction or demolition work or operations performed for you.
- (4) Construction or demolition activities within 50 feet of any railroad property and affecting any railroad bridge or trestle, track, road-bed, tunnel, underpass or crossing.
- (5) Any liability arising from injury or damage in connection with a permit issued by a state or political subdivision if the liability is from operations performed for the state or political subdivision.

- (6) Any liability from "bodily injury" or "property damage," arising out of "your work," which is included in the "products-completed operations hazard." Paragraph (6) of this exclusion does not apply to such insurance as is provided by this endorsement during the policy period of the policy to which this Coverage Form is attached.

This additional exclusion **M.c.(6)** does not apply with respect to such vendors coverage as is provided under **M.b.(5)** above.

- (7) Any person or organization included as an insured under any other provision of Section **C. Who Is An Insured** or included as an additional insured by any endorsement to this policy.

N. LIMITED COVERAGE FOR PROFESSIONAL HEALTH CARE SERVICES

The insurance provided under **Section I - Coverages A and B** is amended as follows:

1. "Bodily injury" arising out of providing or failing to provide professional health care services shall be deemed to be caused by an "occurrence"; and
2. "Personal and advertising injury" arising out of providing or failing to provide professional health care services shall be deemed to be caused by an offense.

For the purpose of determining the Limits of Insurance under Coverage **A** for this coverage, any act or omission together with all related acts or omissions in the furnishing of these services to any one person, will be considered one "occurrence".

The insurance provided by 1. and 2. above does not apply to "bodily injury" or "personal and advertising injury" caused by the willful violation of a penal statute or ordinance relating to the provision of professional health care services by or with the knowledge or consent of any insured.

O. LIMITED COVERAGE FOR BODILY INJURY TO CO-EMPLOYEES, CO-VOLUNTEERS OR CO-INSTRUCTORS

1. a. The coverage provided by this Section of this endorsement is subject to the reduced limits stated below. These limits do not increase the Commercial General Liability Limits of Insurance stated in the Declarations. The reduced limits stated below are the total Limits of Insurance for all damages or medical expenses under Coverages **A** or **C** for the coverage provided by this Section of this endorsement.

Limits of Insurance for This Section:

General Aggregate Limit - \$25,000
Each Occurrence Limit - \$25,000

- b. The **Employer's Liability** exclusion under Paragraph **2. Exclusions** of **Section - I Coverage A** does not apply to the coverage provided by this Section of this endorsement.
 2. Subject to the reduced limits above for such coverage as is provided by this Section of this endorsement, parts **2.a.**, **b.** and **c.** of Section **L.** of this endorsement, which modify part **2.a.** of **Section II - Who Is An Insured** of the Commercial General Liability Coverage Form, are replaced by the following:
 - a. Your "employees", other than your "executive officers," (if you are an organization other than a partnership, joint venture or limited liability company) or your members 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.
 - b. Your "volunteer workers", but only while acting:
 - (1) Under your direction and within the scope of duties for you; or
 - (2) Under your curriculum requirements.
 - c. Auxiliary instructors for any insured, but only while acting under the direction of, and within the scope of duties for such insured.
- However, no "employee", "volunteer worker" or auxiliary instructor or your members or your managers (if you are a limited liability company) is an insured for:
- (1) "Personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members or your managers (if you are a limited liability company), or to a co-"employee", co-"volunteer worker" or co-instructor while that co-"employee", co-"volunteer worker" or co-instructor is either in the course of his or her employment or while performing duties related to the conduct of your business or your curriculum requirements;

- (b) To the spouse, child, parent, brother or sister of that co-"employee", co-"volunteer worker" or co-instructor as a consequence of paragraph (1)(a) above; or
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (1)(b) above.
- (2) "Property damage" to property owned, occupied or used by, rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by:
- (a) Any of your "employees", "volunteer workers" or instructors; or
 - (b) You, or if you are partnership or joint venture, any partner or member; or
 - (c) Any member or manager if you are a limited liability company.

P. DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT

Under **Section IV - Commercial Liability Conditions, Duties In The Event Of Occurrence, Offense, Claim Or Suit** is replaced by the following:

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.

This paragraph a. applies only if one of the following knows of the "occurrence" or offense:

- (1) You;
- (2) A partner or member, if you are a partnership or joint venture;
- (3) A member or manager, if you are a limited liability company; or
- (4) An "executive officer" or insurance manager, if you are an organization other than a partnership, joint venture or limited liability company.

- 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.

This paragraph b. will be considered to have been violated only if the violation occurs after the claim or "suit" is known to:

- (1) You;
- (2) A partner or member, if you are a partnership or joint venture;
- (3) A member or manager, if you are a limited liability company; or
- (4) An "executive officer" or insurance manager, if you are an organization other than a partnership, joint venture or limited liability company.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

Q. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

The following is added to **Section IV - Commercial General Liability Conditions:**

Unintentional Failure To Disclose Hazards

Failure of the insured to disclose all hazards existing as of the inception date of the policy shall not prejudice the rights of the insured as respects the insurance afforded by this policy if such failure or omission is not intentional.

R. COVERAGE TERRITORY

Under the **Definitions** Section, "coverage territory" is replaced by the following:

"Coverage territory" means:

- a. The United State of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in **a.** above; or
 - c. All other parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in **a.** above; or
 - (b) The activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business; and
 - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in:
 - (a) The territory described in **a.** above;
 - (b) The Commonwealth of the Bahamas, Bermuda, Cayman Islands, and British Virgin Islands;
- or in a settlement we agree to.

S. BODILY INJURY DEFINITION

Under the **Definitions** Section, "bodily injury" is replaced by the following:

"Bodily injury" means:

- a. Bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time; or
- b. Shock, mental anguish or mental injury, including death resulting therefrom, to a person who sustained bodily injury, sickness or disease; provided the shock, mental anguish or mental injury is a consequence of the bodily injury, sickness or disease.

T. DAMAGE TO PROPERTY NOT PHYSICALLY INJURED

- a. Under the **Definitions** Section "impaired property" does not apply.
- b. Exclusions **m.** and **n.** under **SECTION I - COVERAGE A** are replaced by the following:
 - m. Loss Of Use Of Tangible Property**

Loss of use of tangible property which has not been physically injured or destroyed, resulting from:

- (1) A delay in or lack of performance by or on behalf of the named insured of any contract or agreement; or
- (2) The failure of "your product" or "your work" to meet the level of performance, quality, fitness or durability warranted or represented by or on behalf of the named insured;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden or accidental physical injury to or destruction of "your product" or "your work" after such products or work have been put to use by any person or organization other than an insured.

n. Recall Of Products, Work Or Other Property

Damage 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) Any property which includes "your product" or "your work";

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.

U. PERSONAL AND ADVERTISING INJURY LIABILITY EXTENSION

Under the **Definitions** Section, "Personal and advertising injury" is replaced by the following:

"Personal and advertising injury" means injury including mental anguish, shock or humiliation; other than "bodily injury"; arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Malicious prosecution or abuse of process;
3. Wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
5. Oral or written publication of material that violates a person's right of privacy;
6. The use of another's advertising idea in your "advertisement";

7. Infringing upon another's copyright, trade dress or slogan in your "advertisement"; or

8. Discrimination.

As used in this form, discrimination means the act of differentiation based on age, race, color, sex, religion, national origin, physical handicap or sexual preference which violates any applicable federal, state or local statute which pertains to discrimination.

But discrimination does not include:

- a. Acts of differentiation that cause injury to a person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- b. Acts of differentiation that cause injury to the spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above as directed.

Paragraphs a. and b. above apply:

 - (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.
- c. Acts of differentiation involving any actual or alleged:
 - (1) Failure to provide an appropriate Individualized Education Program (IEP) pursuant to the Individuals with Disabilities in Education Act (IDEA) or any other similar federal, state, municipal or local statute, administrative rule, regulation or amendment thereto; or

- (2) Violation of Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, Article 89 of the New York Education Law, or any other similar federal, state, municipal or local statute, administrative rule, regulation or amendment thereto.

In the State of New York, the word discrimination as used above only means actual or alleged conduct:

- (a) That results in disparate impact; or
- (b) That you are vicariously liable for.

V. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US

The following is added to Section **IV - Commercial General Liability Conditions:**

If this Coverage Endorsement and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "occurrence" or offense, the aggregate maximum Limit of Insurance under all the Coverage Endorsements, Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Endorsement, Coverage Form or policy. This Condition does not apply to any endorsement, Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this endorsement.

This provision does not apply in New York.

W. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

EXTENDED REPORTING PERIOD FOR LIMITED EMPLOYMENT-RELATED PRACTICES COVERAGE

SCHEDULE

	Child Care Legal Liability Coverage Form
	Legal Liability Coverage Form
	Religious Institutions Directors And Officers Legal Liability Coverage Form
X	School District And Educators Legal Liability Coverage Form
	Volunteer Fire Department Directors And Officers Liability Coverage Form
	Volunteer Fire Department Errors And Omissions Liability Coverage Form
	Other:

Termination Date of the Limited Employment Practices Coverage: 2021-08-01

- I. The Coverage Form indicated in the Schedule above includes limited Employment-Related Practices coverage. Effective on the Termination Date shown in the Schedule, this limited Employment-Related Practices Coverage has been excluded from the Coverage Form.
- II. Only with respect to this limited Employment-Related Practices Coverage, the following is added to the Extended Reporting Period Section of the Coverage Form indicated in the Schedule above:
We will provide an Extended Reporting Period for terminated limited Employment-Related Practices Coverage as described below:
 - A. A "claim" first made during this Extended Reporting Period for terminated Limited Employment-Related Practices Coverage will be deemed to have been made during the "policy period" provided that the "claim" is for "loss" from "wrongful acts" which took place before the Termination Date indicated in the Schedule of this endorsement and after any applicable Retroactive Date.
 - B. This Extended Reporting Period for terminated limited Employment-Related Practices Coverage:
 1. Does not extend the "policy period" or change the scope of coverage provided.
 2. Provides an Aggregate Limit of Liability equal to the Aggregate Limit For Each Annual Policy Year entered in the Declarations in effect at the end of the policy period of the Coverage Form indicated in the Schedule above.
 3. Applies only to the extent that the terminated limited Employment-Related Practices Coverage would have applied.
 4. Applies only as excess insurance over any other valid and collectible insurance available to the insured, whether primary, excess, contingent, or any other basis, whose policy period begins or continues after this Extended Reporting Period for terminated limited Employment-Related Practices Coverage takes effect.
 - C. This Extended Reporting Period for terminated limited Employment-Related Practices Coverage is provided without additional charge and will be of unlimited duration. This period starts on the later of the following dates:
 1. The Termination Date indicated in the Schedule above; or
 2. The expiration date of any applicable Automatic Extended Reporting Period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED COVERAGE FOR SPOUSES AND DOMESTIC PARTNERS

This endorsement modifies insurance provided under the following:

SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE FORM

- I. Subject to all applicable provisions, terms and conditions, the coverage provided by this School District and Educators Legal Liability Coverage Form shall extend to "claims" brought against the lawful spouse or domestic partner of any insured:
 - a. For "wrongful acts" actually or allegedly committed by that insured; and
 - b. Solely by reason of such spouse's or domestic partner's status as spouse or domestic partner of that insured.
- II. Notwithstanding this extension of coverage, no spouse or domestic partner shall have any greater coverage under this School District and Educators Legal Liability Coverage Form than the insured person. This coverage extension does not apply to "loss" from any breach of duty, neglect, error, omission, misstatement, or misleading statement actually or allegedly committed by the spouse or domestic partner of any insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GOOD SAMARITAN COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Any exclusion or restriction of coverage for providing or failing to provide professional health care services does not apply to any insured for their providing or failing to provide "medical treatment" made necessary by a sudden encounter with an accident or medical emergency while acting within the scope of their duties for you. As used in this endorsement, the term "medical treatment" means first aid or emergency care or treatment, wherever provided, given to an ill or injured person before regular medical treatment can be obtained.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LAW ENFORCEMENT AND SECURITY OFFICERS COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

With respect to coverage provided by this endorsement, all provisions of the Coverage Form and the policy apply unless modified by this endorsement.

- A.** The following Supplemental Coverage is added to Section I - **Coverages**:

Law Enforcement and Security Officers Coverage

We will pay for "loss" arising out of or resulting from any "wrongful act" to which this insurance applies.

- B.** Under **Supplementary Payments** applicable to **Coverages A and B**, the provision for court costs taxed against the insured in the "suit" does not include attorneys' fees or attorneys' expenses taxed against the insured.

- C.** The following are added to the **Definitions** section:

1. "Interrelated acts" means "wrongful acts" which arise out of and have as a common basis:
 - a. Related circumstances, situations, events, transactions or facts;
 - b. A series of related circumstances, situations, events, transactions or facts; or
 - c. A common pattern of conduct.
2. "Wrongful act" means any breach of duty, act, error or omission committed by an insured while acting within the scope of their law enforcement or security duties for you. However, "wrongful act" does not include any breach of duty, act, error or omission in connection with safeguarding or protecting your computer or information systems.

- 3.** "Loss" means any amount which:

- a. An insured is legally obligated to pay as compensatory damages, judgments or settlements; or
- b. You may be required by law to indemnify an insured for any claim or "suit";

to which the insurance under **Coverage A - Bodily Injury And Property Damage Liability** or **Coverage B - Personal And Advertising Injury Liability** applies.

"Loss" does not include:

- (1) Fines or penalties imposed by law;
- (2) Injunctive relief, including costs to comply with injunctive orders or judgments; or
- (3) Other matters which may be deemed uninsurable under the law pursuant to which the policy shall be construed.

- D.** Any amounts we pay for "loss" are included within the applicable Limits of Insurance shown in the Declarations. These limits are the most we will pay for all "loss" from any one "wrongful act" or all "interrelated acts" of one or more insureds.
- E.** Only with respect to the insurance provided by this endorsement, your obligations under the Condition **Duties In The Event Of Occurrence, Offense, Claim Or Suit** shall also apply to any "suit" that alleges a "wrongful act".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIABILITY TO VOLUNTEERS

This endorsement modifies insurance provided under the following:

EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE FORM

Under Section **I - Definitions**, the definition of "employee" is replaced by the following:

"Employee" means a person who is:

- a.** Employed by you for wages or salary;
- b.** A current or former member of your board of directors; or
- c.** A volunteer 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.

But "employee" does not include an independent contractor, employees of an independent contractor while acting within the scope of their employment, a "leased worker" or a "temporary worker."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT - CHANGES TO THE SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE FORM

This endorsement modifies insurance provided under the following:

SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE FORM

I. The following is added under Paragraph 2. - Exclusions of Section I - School District And Educators Legal Liability Coverage:

This insurance does not apply to any "claim" directly or indirectly, in whole or in part, arising out of, involving, resulting from, or caused by any of the following:

Collective Bargaining

"Loss" related to the collective bargaining process or due to any actual or alleged violation of any collective bargaining agreement.

II. Under Section I - School District And Educators Legal Liability Coverage, Supplementary Payments is replaced by the following:

Supplementary Payments

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

- (1) All expenses we incur, including fees charged by an attorney retained by us to defend you.
- (2) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$250 a day because of time off from work.

b. We will pay with respect to any "suit" against an insured we defend:

- (1) All costs taxed against the insured in the "suit". However:
 - (a) With respect to "suits" alleging failure to provide an appropriate Individualized Education Program (IEP), the most we will pay for attorney fees, costs or expenses awarded to any prevailing party or taxed against the insured is \$50,000 for any one "suit".

(b) With respect to "suits" other than those alleging failure to provide an appropriate Individualized Education Program (IEP), the most we will pay for attorney fees, costs or expenses awarded to any prevailing party or taxed against the insured is \$1,000,000 for any one "suit".

(2) Pre and post-judgment interest on that part of the judgment that we pay up to the policy limits.

(3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of liability. We do not have to furnish these bonds.

These payments will not reduce the Limits of Insurance.

III. The following changes apply to the Definitions Section:

A. "Defense costs" is replaced by the following:

"Defense costs" mean payments allocated to a specific "claim" or "suit" for its investigation, settlement, or defense, including:

- a. Attorney fees and other litigation expenses.
- b. Fees for investigators, adjusters, expert witnesses, consultants and alternative dispute resolution services.

"Defense costs" do not include:

- (1) Salaries and expenses of our employees or your "employees," except for that portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim" for the defense of the insured; or

- (2) 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 amount available for the judgment under the provisions of Section IV - Limits Of Insurance And Retentions.

B. "Loss" is replaced by the following:

- a. "Loss" means any amount which an insured is legally obligated to pay as compensatory damages or which the "educational institution" may be required and permitted by law to pay as indemnity to an insured for any "claim" to which this insurance applies and shall include judgments and settlements.

b. "Loss" shall not include:

- (1) Fines or penalties imposed by law;
- (2) Injunctive relief, including costs to comply with injunctive orders or judgments;
- (3) Any costs, expenses, or fees incurred by anyone because of your actual or alleged:
 - (a) Failure to provide an appropriate individualized education program (IEP) pursuant to the Individuals with Disabilities in Education Act (IDEA) or any other similar federal, state, municipal or local statute, administrative rule, regulation or amendment thereto; or

- (b) Violation of Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, or any other similar federal, state, municipal or local statute, administrative rule, regulation or amendment thereto;

- (4) Any tuition, room and board, transportation or other educational costs which are specific to the operation of your "educational institution" or any other educational institution;
- (5) Any operating costs included in your "educational institution's" budget;
- (6) Attorney fees, costs or expenses awarded to any prevailing party or taxed against the insured;
- (7) "Claims" for reduction or return of taxes; or
- (8) Other matters which may be deemed uninsurable under the law pursuant to which the policy shall be construed.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KNOWLEDGE OF WRONGFUL ACT, CLAIM OR SUIT

This endorsement modifies insurance provided under the following:

SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE FORM

I. Under Section VI - School District And Educators Legal Liability Conditions:

A. The following is added as the final paragraph of Duties in the Event of Wrongful Act, Claim, or Suit:

Knowledge of any "wrongful act", "wrongful employment practices", "claim" or "suit" by any agent, servant, or employee of the insured shall not in itself constitute knowledge by the insured, unless the Chief School Administrator (Superintendent, Head of School, Headmaster, Headmistress) or individual designated by the Chief School Administrator to receive such notice shall have received notice of such "wrongful act", "wrongful employment practices", "claim" or "suit".

B. The following is added as the final paragraph of Application:

Failure of the Named Insured to disclose all pertinent information existing as of the inception date of this Coverage Form shall not invalidate this insurance if such failure or omission was not intentional.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WHO IS AN INSURED - CHANGES

This endorsement modifies insurance provided under the following:

EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE FORM

- I. Section II - **Who Is An Insured** is replaced by the following:

WHO IS AN INSURED

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

1. The "educational institution" named in the Declarations, its School Board, School Committee, Board of Trustees, Board of Governors or similar governing body and, for acts within the scope of their duties as such, all persons who were, now are, or shall be, its:
 - a. Elected or appointed members of the Board of Education, Board of Trustees, School Directors, School Committee, Board of Governors or similar governing body;
 - b. Employees;
 - c. Student Teachers;
 - d. School Volunteers; and
 - e. Students while serving in a supervised internship program sponsored by the "educational institution".
2. With respect to the liability of insureds described above, the heirs, administrators, assigns, and legal representatives of each insured in the event of death, incapacity, or bankruptcy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

YOUR INVESTIGATION AND PUBLIC RELATIONS EXPENSES

This endorsement modifies insurance provided under the following:

ABUSE OR MOLESTATION LIABILITY COVERAGE FORM (INCLUDING SEXUAL MISCONDUCT OR SEXUAL MOLESTATION)

The following **Supplemental Coverage** is added to **Section I - Abuse Or Molestation Liability Coverage:**

Your Investigation And Public Relations Expenses

We will pay your reasonable investigation costs incurred to determine if an insured committed a "wrongful act" to which this insurance applies and fees paid to an independent public relations agency hired in conjunction with that investigation.

Subject to a total annual aggregate limit of \$100,000 per policy term, the most we will pay for your reasonable investigation costs and fees paid to an independent public relations agency for any one incident is \$10,000.

To the extent that a part of Condition **2.d.** that pertains to incurring expenses without our consent conflicts with this Supplemental Coverage, that part does not apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EDUCATIONAL INSTITUTIONS LIMITED UNMANNED AIRCRAFT COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE*

Aircraft Aggregate Limit of Insurance \$

COVERED AIRCRAFT

- 1.
- 2.
- 3.
- 4.
- 5.

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

The changes described herein apply only with respect to this endorsement. All provisions of the Policy apply unless modified by this endorsement.

Section I - Blanket Coverage

A. Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, the Aircraft, Auto Or Watercraft exclusion does not apply to any "lightweight unmanned aircraft" used in connection with:

1. Your educational institution curriculum or programs; or
2. Building operations, maintenance or repair; on or above your educational institution premises.

However, the most we will pay for the sum of all "bodily injury" or "property damage" arising out of the use of "lightweight unmanned aircraft" is \$250,000 per policy period. This \$250,000 aggregate limit applies separately to each consecutive annual policy period and to any remaining policy 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 aggregate limit for this coverage will be increased in proportion to any policy extension provided.

Section II - Specific Coverage

If this section applies:

A. The insurance provided under this section only applies to the "lightweight unmanned aircraft" or "unmanned aircraft" shown as a Covered Aircraft in the Schedule above, or in the Declarations as subject to Section II of this endorsement.

B. Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, the Aircraft, Auto Or Watercraft exclusion does not apply to a "lightweight unmanned aircraft" or "unmanned aircraft" used in connection with:

1. Your educational institution curriculum or programs; or
2. Building operations, maintenance or repair; on or above your educational institution premises.

- C. **Section III - Limits Of Insurance** is replaced by the following:

SECTION III - LIMITS OF INSURANCE

1. The Limit of Insurance shown in the Schedule 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 Aircraft Aggregate Limit of Insurance shown in the Schedule above is the most we will pay for the sum of all "bodily injury" and "property damage" arising out of the use of any "lightweight unmanned aircraft" or "unmanned aircraft" covered by **Section II** of this endorsement.

The Aircraft Aggregate Limit of Insurance shown in the Schedule above applies separately to each consecutive annual policy period and to any remaining policy 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 Limit of Insurance for this coverage will be increased in proportion to any policy extension provided.

3. The limit of insurance for any "lightweight unmanned aircraft" covered under **Section I** of this endorsement does not apply to any "unmanned aircraft" covered under **Section II** of this endorsement. If a "lightweight unmanned aircraft" is shown in the Schedule above as subject to an Aircraft Aggregate Limit of Insurance, the limit of insurance provided under **Section I** of this endorsement does not apply to that "lightweight unmanned aircraft".

Section III - Conditions

The following is added to **Section IV - Commercial General Liability Conditions**:

It is a condition precedent to coverage under the Educational Institutions Limited Unmanned Aircraft Coverage endorsement that any "lightweight unmanned aircraft" or "unmanned aircraft":

- a. Will be operated in compliance with all applicable Federal, state or local laws or regulations governing their usage; and
- b. Is in an airworthy condition. No coverage will apply under this policy if the "lightweight unmanned aircraft" or "unmanned aircraft" is not in an airworthy condition. As used herein, "airworthy" means fit to operate as designed and intended, and able to withstand the foreseeable and expected conditions of weather, wind, and atmosphere and the rigors of normal and foreseeable use in whatever airspace it will be operated.

Section IV - Definitions

The following are added to the **Definitions** section:

- A. "Lightweight unmanned aircraft" means an aircraft which is commonly known as a drone that:
 1. Does not carry a human operator;
 2. Has one or more propellers or rotary wings configured to provide vertical lift; and
 3. Weighs ten (10) pounds or less.
- B. "Unmanned aircraft" means an aircraft which is commonly known as a drone that:
 1. Does not carry a human operator; and
 2. Has one or more propellers or rotary wings configured to provide vertical lift.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., **Exclusions of Coverage A - Bodily Injury And Property Damage Liability (Section I - Coverages)** and Paragraph 2., **Exclusions of Coverage B - Personal and Advertising injury Liability (Section I - Coverages)**:

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of:

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or

2. The negligent:

- a. Employment;
 - b. Investigation;
 - c. Supervision;
 - d. Reporting to the proper authorities, or failure to so report; or
 - e. Retention;
- of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

For the purposes of this endorsement, abuse means an intentional, inherently harmful act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

- I. The following exclusion is added to Paragraph 2., Exclusions of **Section I - Coverage A - Bodily Injury And Property Damage Liability** and Paragraph 2., Exclusions of **Section I - Coverage B - Personal And Advertising Injury Liability**:
 - A. This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or "devaluation" related to the actual, alleged or threatened presence of, or exposure to "asbestos" in any form, or to toxic substances emanating from "asbestos". This includes ingestion, inhalation, absorption or other physical exposure to "asbestos". Such presence of, or exposure to, "asbestos" includes, but is not limited to:
 1. The existence of or storing of "asbestos";
 2. The abatement or removal of "asbestos" from any structures, materials, products, goods or manufacturing process;
 3. The disposal of "asbestos"; or
 4. Any structures, manufacturing processes, or products containing "asbestos".
 - B. We shall have no obligation under this coverage for any loss, defense costs, or other costs or expenses arising out of any:
 1. Claim, "suit", judgment, settlement, obligation, request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, neutralize, or in any way respond to, or assess the actual or alleged effects of "asbestos"; or
 2. Claim, "suit", judgment, settlement, obligation, request or demand due to any actual, alleged, or threatened injury or damage from "asbestos" or testing for, monitoring, cleaning up, removing, containing, treating, or neutralizing, or in any way responding to or assessing the actual or alleged effects of, "asbestos"; or
 3. Claim, "suit", judgment, settlement, obligation, request or demand to investigate which would not have occurred, in whole or in part, but for the actual or alleged presence of or exposure to "asbestos".
 - C. This exclusion applies regardless of who manufactured, produced, installed, used, owned, stored or controlled the "asbestos".
- II. The following definitions are added to the **Definitions** Section:

"Asbestos" means asbestos, asbestos fibers, asbestos products and asbestos materials, or any products, goods or materials containing asbestos or asbestos fibers, products or materials.

"Devaluation" means any claim, demand or "suit" that alleges diminution, impairment or reduction in the value of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT- RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE FORM

In consideration of the reduced premium for this coverage, it is agreed that:

- I. Exclusion **g.** is replaced by the following:
 - g.** Any "claim" for salary, benefits or other remuneration, or that are based on or include salary, benefits or other remuneration as a measure of damages. This exclusion also applies to any "claim" presented by:
 - (1) Any person due to:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
 - (2) The spouse, child, parent, brother or sister of that person who alleges injury or damage as a consequence of any of the employment-related practices described in paragraphs (a), (b), or (c) above.
- This exclusion applies:
 - (i) Whether the insured may be liable as an employer or in any other capacity; and
 - (ii) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
- II. Under **Section I - School District And Educators Legal Liability Coverage**, the **Limited Coverage For Salary Or Benefits Claims** does not apply.
- III. Under **Section VIII - Definitions**, the definition "wrongful employment practices" is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - FUNGI OR BACTERIA

This endorsement modifies insurance provided under the following:

SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE FORM

A. The following is added to Part 2., Exclusions of Section I - School District and Educators Legal Liability Coverage:

This insurance does not apply to:

1. Any "claim" or "suit" that alleges a "wrongful act" or a series of "interrelated wrongful acts" that caused or resulted in "loss" from or because 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

2. Any "claim" or "suit" seeking damages for or because of any "loss", cost or expense 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 byproducts produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE FORM

The following exclusion is added to Paragraph 2., **Exclusions of Section I - School District And Educators Legal Liability Coverage:**

This insurance does not apply to any "claim" for "loss" arising out of or resulting from:

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or

2. "Wrongful acts" involving the:

- a. Employment;
 - b. Investigation;
 - c. Supervision;
 - d. Reporting to the proper authorities, or failure to so report; or
 - e. Retention;
- of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

For the purposes of this endorsement, abuse means an intentional, inherently harmful act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – SILICA LIABILITY HAZARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The insurance provided under **Section I - Coverage A - Bodily Injury And Property Damage Liability** and **Coverage B - Personal And Advertising Injury Liability** does not apply to any "occurrence", notice, claim or "suit" arising out of or resulting from:

(1) The actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of silica dust or silica particles in any form at any time, or any toxic material arising out of or resulting from silica dust or silica particles at any time; or

(2) Any loss, cost or expense for the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of silica dust or silica particles in any form by any insured or by any other person or entity.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - RECORDING AND DISTRIBUTION OF
MATERIAL OR INFORMATION IN VIOLATION OF LAW**

This insurance does not apply to any claim or "suit" arising directly or indirectly out of or resulting from any "wrongful act", action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY CHANGES – LOSS INFORMATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART ("OCCURRENCE" VERSION)

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

10. Your Right to Loss Information

We will provide the first Named Insured shown in the Declarations the following loss information relating to this and any preceding general liability Coverage Part we have issued to you during the previous three years:

- a.** A list or other record of each "occurrence" of which we were notified in accordance with paragraph **2.a.** of the Duties in the Event of Occurrence, Offense, Claim or Suit Condition in this Section. We will include a brief description of the "occurrence" and information on whether any claim arising out of the "occurrence" is open or closed.
- b.** A summary by policy year, of payments made and amounts reserved, stated separately under any applicable General Aggregate Limit and Products-Completed Operations Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

You must not disclose this information to any claimant or any claimant's representative without our consent.

We will provide this information only if we receive a written request from the first Named Insured during the policy period. We will provide this information within 45 days of receipt of the request.

We compile claim and "occurrence" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers or others to whom this information is furnished by or on behalf of any insured.

**UTICA NATIONAL INSURANCE GROUP**

REPUBLIC FRANKLIN INSURANCE CO.
180 GENESEE STREET
NEW HARTFORD, NY 13413

U0114
USI INS SERVICES LLC
180 PARK AVE, SUITE 102
FLORHAM PARK, NJ 07932
(973)315-0400

POLICY NUMBER: CPP 5175035**NAMED INSURED:** FREEHOLD REGIONAL BOARD OF EDUCATION

ADDRESS: 11 PINE ST
ENGLISHTOWN, NJ 07726

FORM OF BUSINESS:**BUSINESS DESCRIPTION:** KINDERGARTEN - HIGH SCHOOL PUBLIC**POLICY PERIOD:** FROM 08-01-2021 TO 08-01-2022 12:01 A.M. Standard Time at your address shown above.

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

COMMERCIAL INLAND MARINE COVERAGE PART - DECLARATIONS

For deductibles shown below, see individual coverage form(s) for explanation of how deductibles may apply.

SCHEDULE

ITEM NO.	DESCRIPTION	LIMIT OF INSURANCE	DEDUCTIBLE AMOUNT	PREMIUM
001	Head Of The Class Uni-Flex Endorsement	SEE FORM		\$ 6,257

NJ PROPERTY-LIABILITY INSURANCE GUARANTY ASSOCIATION SURCHARGE \$ 64

PREMIUM for this Coverage Part \$ 10,716

With respect to each coverage, the limit of insurance stated in any form or endorsement attached to this policy applies, unless replaced by the higher amount shown below for such coverage

FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART:

SEE 8-S-1018

MORTGAGE HOLDER:

Authorized Representative

CPP CIM 01 5175035

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

COMMERCIAL INLAND MARINE COVERAGE PART
SUPPLEMENTAL DECLARATIONS

POLICY NUMBER: CPP 5175035

ITEM NO.	DESCRIPTION	LIMIT OF INSURANCE	DEDUCTIBLE AMOUNT	PREMIUM
	(8E2680-2)			
1.	11 PINE ST, ENGLISHTOWN, NJ 07726			\$ 111
	8E1461 Fine Arts			
	Blanket Coverage	\$ 50,000	\$ 500	
2.	8C1700 Data Processing			\$ 2,964
	Blanket Coverage - Replacement Cost		\$ 1,000	
	SCHOOL			
	Data Processing Equipment	\$ 379918		
	Computer Programs & Media	\$ 500000		
	Cyber Related Loss	\$		\$
	Coinsurance %: 90%			
	Coverage Options			
	Property Off Premises	\$ 15,000		
	Duplicate and Back-up Data	\$ 50,000		
	Cost to Replace or Restore Data	\$ 5,000		
	Mechanical and Electrical Breakdown Deductible		\$ 1000	
3.	11 PINE ST, ENGLISHTOWN, NJ 07726			
	CM0066 Accounts Receivable			\$ 0
	Coverage Applicable At Your Premises	\$ 50,000		
	CM0066 Accounts Receivable			\$ 50
	Coverage Applicable Away From Your Premises	\$ 250,000		
	Coinsurance %: 0%			
4.	11 PINE ST, ENGLISHTOWN, NJ 07726		\$ 500	\$ 131
	CM0067 Valuable Papers and Records			
	Blanket Coverage	\$ 100,000		
		\$ 5,000,000		
	CM0067 Valuable Papers and Records		\$ 500	\$ 1139

COMMERCIAL INLAND MARINE COVERAGE PART
SUPPLEMENTAL DECLARATIONS

POLICY NUMBER: CPP 5175035

ITEM NO.	DESCRIPTION	LIMIT OF INSURANCE	DEDUCTIBLE AMOUNT	PREMIUM
	Property Away From Your Premises	\$ 5,000,000		
5.	8E1613 Policy Changes/Extension Schedule			\$ 0
6.	8E1613 Policy Changes/Extension Schedule			\$ 0

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

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

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

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

C. Duties In The Event Of Loss

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

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

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

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

7. 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.

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

9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. 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 claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

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

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

6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage 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. Recovered Property

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

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control Of Property

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

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

C. Legal Action Against Us

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

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

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

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

COMMERCIAL ARTICLES 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.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form, means:

- a.** Cameras, projection machines, films and related equipment and accessories;
- b.** Musical instruments and related equipment and accessories; and
- c.** Similar property of others that is in your care, custody or control.

2. Property Not Covered

Covered Property does not include contraband, or property in the course of illegal transportation or trade.

3. Covered Causes Of Loss

Covered Causes of Loss means direct physical loss or damage to Covered Property except those causes of loss listed in the Exclusions.

4. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in Paragraphs **a.** through **c.**

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

- b.** We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- (1)** Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- (2)** Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (3)** 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;
- (4)** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (a)** A cause of loss listed in Paragraph **(1)** or **(2)**;
 - (b)** One or more of the following causes of loss: fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; all only as insured against in this Coverage Form;
 - (c)** Weight of people or personal property; or
 - (d)** Weight of rain that collects on a roof.

- c.** This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Form.

B. Exclusions

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

- a. **Governmental Action**

Seizure or destruction of property by order of governmental authority.

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

- b. **Nuclear Hazard**

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

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

- c. **War And Military Action**

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

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

2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Delay, loss of use, loss of market or any other consequential loss.
 - b. Dishonest or criminal act (including theft) committed by:
 - (1) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;
 - (2) A manager or a member if you are a limited liability company; or

- (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

- c. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - d. Unauthorized instructions to transfer property to any person or to any place.
 - e. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
 - f. Theft by any person (except carriers for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **1.** above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property wherever located.

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

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

This Exclusion **d.** does not apply to the extent that coverage is provided under the Additional Coverage – Collapse or to collapse caused by one or more of the following: fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; weight of people or personal property; weight of rain that collects on a roof.

e. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

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.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. Additional Conditions

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

1. Coverage Territory

We cover property wherever located.

2. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies to all items that are covered but not individually listed and described.

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

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

- a. Multiply the value of Covered Property, except property in transit, at the time of loss by the Coinsurance percentage;**
- b. Divide the Limit of Insurance of the property by the figure determined in Step a.;**
- c. Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step b.;** and
- d. Subtract the deductible from the figure determined in Step c.**

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

3. Additional Acquired Property

If during the policy period you acquire additional property of a type already covered by this form, we will cover such property for up to 30 days, but not beyond the end of the policy period. The most we will pay for loss or damage is the lesser of:

- a. 25% of the total Limit Of Insurance shown in the Declarations for that type of property; or**
- b. \$10,000.**

You will report such property within 30 days from the date acquired and will pay any additional premium due. If you do not report such property, coverage will cease automatically 30 days after the date the property is acquired or at the end of the policy period, whichever occurs first.

SIGNS 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.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form, means:

- a. Your signs; and
- b. Similar property of others in your care, custody or control.

2. Property Not Covered

Covered Property does not include contraband, or property in the course of illegal transportation or trade.

3. Covered Causes Of Loss

Covered Causes of Loss means direct physical loss or damage to Covered Property except those causes of loss listed in the Exclusions.

4. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in Paragraphs a. through c.

- a. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- b. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

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

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

- (3) 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;

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

- (a) A cause of loss listed in Paragraph (1) or (2);

- (b) One or more of the following causes of loss: fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; all only as insured against in this Coverage Form;

- (c) Weight of people or personal property; or

- (d) Weight of rain that collects on a roof.

- c. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Form.

B. Exclusions

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

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

b. Nuclear Hazard

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

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

c. War And Military Action

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

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

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

- a.** Delay, loss of use, loss of market or any other consequential loss.
- b.** Breakage during transportation, or breakage during installation, repairing or dismantling.

But we do insure against such loss or damage caused directly by fire, lightning, or by accident to the vehicle carrying the property if these causes of loss would be covered under this Coverage Form.

c. Dishonest or criminal act (including theft) committed by:

- (1) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;
- (2) A manager or a member if you are a limited liability company; or

- (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

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

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

creating a short circuit or other electric disturbance within an article covered under this Coverage Form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes, but is not limited to, electrical current, including arcing; electrical charge produced or conducted by a magnetic or electromagnetic field; pulse of electromagnetic energy; electromagnetic waves or microwaves.

But if artificially generated electrical, magnetic or electromagnetic energy, as described above, results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

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

- f. Unauthorized instructions to transfer property to any person or to any place.
- g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- h. Theft by any person (except carriers for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

- 3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;

of part or all of any property wherever located.
- d. Collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinking or expansion as such condition relates to Paragraph (1) or (2).

This Exclusion d. does not apply to the extent that coverage is provided under the Additional Coverage – Collapse or to collapse caused by one or more of the following: fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; weight of people or personal property; weight of rain that collects on a roof.

- e. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration; mechanical breakdown; dampness, cold or heat.

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.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. Additional Conditions

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

1. Coverage Territory

We cover property wherever located within:

- a. The United States of America (including its territories and possessions);
- b. Puerto Rico; and
- c. Canada.

2. Coinsurance

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

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

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

- a.** Multiply the value of Covered Property, except property in transit, at the time of loss by the Coinsurance percentage;
- b.** Divide the Limit of Insurance of the property by the figure determined in Step **a.**;

- c.** Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step **b.**; and
- d.** Subtract the deductible from the figure determined in Step **c.**

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

ACCOUNTS RECEIVABLE 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 E – Definitions.

A. Coverage

1. We will pay:

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

that result from Covered Causes of Loss to your records of accounts receivable.

2. Property Not Covered

Coverage does not apply to:

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

3. Covered Causes Of Loss

Covered Causes of Loss means direct physical loss or damage to your records of accounts receivable except those causes of loss listed in the Exclusions.

4. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in Paragraphs a. through c.

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

- b. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- (1) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- (2) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (3) 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;
- (4) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (a) A cause of loss listed in Paragraph (1) or (2);
 - (b) One or more of the following causes of loss: fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; all only as insured against in this Coverage Form;
 - (c) Weight of people or personal property; or
 - (d) Weight of rain that collects on a roof.

- c. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Form.

5. Coverage Extension

Removal

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

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

This Coverage Extension is included within the Limit of Insurance applicable to the "premises" from which the records of accounts receivable are removed.

B. Exclusions

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

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

b. Nuclear Hazard

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

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

c. War And Military Action

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

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

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

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

- a. Delay, loss of use, loss of market or any other consequential loss.

- b. Dishonest or criminal act (including theft) committed by:

- (1) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;

- (2) A manager or a member if you are a limited liability company; or

- (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

- c. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

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

- d. Bookkeeping, accounting or billing errors or omissions.

- e. Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (1) Programming errors or faulty machine instructions;

- (2) Faulty installation or maintenance of data processing equipment or component parts;

(3) An occurrence that took place more than 100 feet from your "premises"; or

(4) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 100 feet from your "premises".

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

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

g. Unauthorized instructions to transfer property to any person or to any place.

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

i. Theft by any person (except carriers for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

3. We will not pay for loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

4. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

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

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

c. Faulty, inadequate or defective:

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

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

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

(4) Maintenance;

of part or all of any property wherever located.

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

(1) An abrupt falling down or caving in;

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

(3) Any cracking, bulging, sagging, bending, leaning, settling, shrinking or expansion as such condition relates to Paragraph (1) or (2).

This Exclusion d. does not apply to the extent that coverage is provided under the Additional Coverage – Collapse or to collapse caused by one or more of the following: fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; weight of people or personal property; weight of rain that collects on a roof.

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.

D. Additional Conditions

1. Determination Of Receivables

General Condition F. Valuation in the Commercial Inland Marine Conditions is replaced by the following:

a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:

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

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

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

- (1) The amount of the accounts for which there is no loss or damage;
- (2) The amount of the accounts that you are able to reestablish or collect;
- (3) An amount to allow for probable bad debts that you are normally unable to collect; and
- (4) All unearned interest and service charges.

2. Recoveries

The following is added to Loss Condition **H. Recovered Property** in the Commercial Inland Marine Conditions:

You will pay us the amount of all recoveries you receive for loss or damage paid by us. But any recoveries in excess of the amount we have paid belong to you.

3. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. Coverage Territory

We cover records of accounts receivable:

- (1) Within your "premises"; and
- (2) Away from your "premises" while in transit or within premises of others if those premises are located or the transit is within:
 - (a) The United States of America (including its territories and possessions);
 - (b) Puerto Rico; and
 - (c) Canada.

b. Coinsurance

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

We will not pay the full amount of any loss if the value of all accounts receivable, except those in transit, at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for Coverage Applicable At All Locations.

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

- (1) Multiply the value of all accounts receivable, except those in transit, at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance for Coverage Applicable At All Locations by the figure determined in Step (1); and
- (3) Multiply the total amount of loss by the figure determined in Step (2).

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

This condition will not apply to records of accounts receivable in transit, interest charges, excess collection expenses or expenses to reestablish your records of accounts receivable.

c. Protection Of Records

Whenever you are not open for business, and except while you are actually using the records, you must keep all records of accounts receivable in receptacles that are described in the Declarations.

E. Definitions

"Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.

VALUABLE PAPERS AND RECORDS 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 from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form, means "valuable papers and records" that are your property or property of others in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

- a. Property not specifically declared and described in the Declarations if such property cannot be replaced with other property of like kind and quality;
- b. Property held as samples or for delivery after sale;
- c. Property in storage away from the "premises" shown in the Declarations; or
- d. Contraband, or property in the course of illegal transportation or trade.

3. Covered Causes Of Loss

Covered Causes of Loss means direct physical loss or damage to Covered Property except those causes of loss listed in the Exclusions.

4. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in Paragraphs **a.** through **c.**

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

- b. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

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

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

- (3) 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;

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

- (a) A cause of loss listed in Paragraph (1) or (2);

- (b) One or more of the following causes of loss: fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; all only as insured against in this Coverage Form;

- (c) Weight of people or personal property; or

- (d) Weight of rain that collects on a roof.

- c. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Form.

5. Coverage Extensions

a. Removal

If you give us written notice within 10 days of removal of your "valuable papers and records" because of imminent danger of loss or damage, we will pay for loss or damage while it is:

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

This Coverage Extension is included within the Limits of Insurance applicable to the "premises" from which the Covered Property is removed.

b. Away From Your Premises

We will pay up to \$5,000 for loss or damage to Covered Property while it is away from your "premises".

But if a higher Limit Of Insurance is specified in the Declarations, the higher limit will apply.

The limit for this Coverage Extension is additional insurance.

B. Exclusions

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

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

b. Nuclear Hazard

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

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

c. War And Military Action

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

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

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

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

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

- a. Delay, loss of use, loss of market or any other consequential loss.

- b. Dishonest or criminal act (including theft) committed by:

- (1) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;

- (2) A manager or a member if you are a limited liability company; or

- (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

- c. Errors or omissions in processing or copying.

But if errors or omissions in processing or copying result in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.

- d. Electrical or magnetic injury, disturbance or erasure of electronic recordings.

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

- e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- f. Unauthorized instructions to transfer property to any person or to any place.
- g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- h. Theft by any person (except carriers for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

- 3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;

of part or all of any property wherever located.
- d. Collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinking or expansion as such condition relates to Paragraph (1) or (2).

This Exclusion d. does not apply to the extent that coverage is provided under the Additional Coverage – Collapse or to collapse caused by one or more of the following: fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; weight of people or personal property; weight of rain that collects on a roof.

- e. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

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.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. Additional Conditions

1. Valuation – Specifically Declared Items

The following is added to General Condition F. **Valuation** in the Commercial Inland Marine Conditions:

The value of each item of property that is specifically declared and described in the Declarations is the applicable Limit Of Insurance shown in the Declarations for that item.

2. Recoveries

The following is added to Loss Condition H. **Recovered Property** in the Commercial Inland Marine Conditions:

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. If so, your loss or damage will be readjusted based on the amount you received for the property recovered, with allowance for recovery expenses incurred.

3. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. Coverage Territory

We cover property:

- (1) Within your "premises"; and
- (2) Away from your "premises" while in transit or within premises of others if those premises are located or the transit is within:
 - (a) The United States of America (including its territories and possessions);
 - (b) Puerto Rico; and
 - (c) Canada.

b. Protection Of Records

Whenever you are not open for business, and except while you are actually using the property, you must keep all "valuable papers and records" in receptacles that are described in the Declarations.

F. Definitions

1. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities", converted data, programs or instructions used in your data processing operations, including the materials on which the data is recorded.

2. "Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.
3. "Money" means:
 - a. Currency, coins and banknotes whether or not in current use; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
4. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps whether or not in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not of your own issue;but does not include "money".

DATA PROCESSING 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 word "we," "us" and "our" refer to the Company providing this insurance.

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

A. COVERAGE

1. We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

a. Covered Property

Covered Property, as used in this Coverage Form, means the following property if a Limit of Insurance is shown in the Declarations for that type of property:

- (1) "Data Processing Equipment";
 - (2) "Computer Programs" And "Media";
- that you own, lease or rent from others, or for which you are legally responsible while at a premises described in the Declarations.

b. Property Not Covered

Covered Property does not include:

- (1) Contraband, or property in the course of illegal transportation or trade;
- (2) Property you rent or lease to others while it's away from the described premises;
- (3) Program supportive documentation such as flow charts, record formats, or narrative descriptions, unless they are converted to "data" form, and then only in that form and only to the extent coverage is provided for "data" in the Additional Coverages;
- (4) A laptop, palmtop, notebook PC, or any portable computer while in transit as checked luggage;
- (5) Stock in trade;
- (6) Copiers, fax machines and their associated equipment;
- (7) Computer equipment used to operate or support production type machinery or equipment;
- (8) "Data" except as provided under the Additional Coverages.

2. Coverage is provided for:

- (a) Business Income And Extra Expense; or
- (b) Extra Expense;

at a premises described in the Declarations when such coverage and a corresponding Limit of Insurance are shown in the Declarations.

a. Business Income

- (1) We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to:

- (a) Covered Property;
- (b) A building or structure at a premises described in the Declarations containing Covered Property if the loss or damage prevents you from using that Covered Property; or
- (c) Air conditioning and power supply systems needed to operate your "data processing equipment" if such loss or damage occurs inside a building or structure at a premises described in the Declarations or within 100 feet of it.

The loss or damage must be caused by or result from a Covered Cause of Loss.

- (2) Business Income means the:

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

b. Extra Expense

(1) We will pay the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to:

- (a) Covered Property while at a premises described in the Declarations;
- (b) A building or structure at a premises described in the Declarations that contains Covered Property, if the loss or damage prevents you from using that Covered Property; or
- (c) The air conditioning and power supply systems needed to operate your "data processing equipment" if such loss or damage occurs inside a building or structure at a premises described in the Declarations or within 100 feet of it.

The loss or damage must be caused by or result from a Covered Cause of Loss.

(2) Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss of or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- (a) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (b) Minimize the "suspension" of business if you cannot continue "operations".

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

3. Covered Causes Of Loss

Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is excluded in Section **B. Exclusions**.

4. Additional Coverages

a. Collapse

We will pay for direct loss or damage caused by or resulting from risks of direct physical loss or damage involving collapse of all or part of a building or structure caused by one or more of the following:

- (1) Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; all only as insured against in this Coverage Form;
- (2) Hidden decay;
- (3) Hidden insect or vermin damage;
- (4) Weight of people or personal property;
- (5) Weight of rain that collects on a roof;
- (6) Use of defective materials or methods in construction, remodeling, or renovation if the collapse occurs during the course of the construction, remodeling, or renovation.

b. Fire Extinguishing Systems Discharge

- (1) We will reimburse you for the cost you incur to refill your fire extinguishing protection systems installed to protect your computer operations if they discharge as intended to control loss or damage from a Covered Cause of Loss.
- (2) If you and we agree, you may refill your discharged fire protection equipment with an alternate extinguishing agent. The alternate extinguishing agent must be mutually agreed upon and must be approved by Underwriters Laboratories, Inc. or another nationally recognized testing laboratory. We will not pay for the cost to adapt your extinguishing system to your alternate choice of extinguishing agents.
- (3) We will also pay such cost if the systems discharge accidentally, but not if they discharge during installation, repair, or recharging.
- (4) You must keep the system in proper working order and repair to maintain this Coverage.

c. 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 expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (a) The date of direct physical loss or damage; or
- (b) The end of the policy period.

(2) Debris Removal does not apply to costs to

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

d. Preservation Of Property

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

- (a) While it is being moved or while temporarily stored at another location; and
- (b) Only if the loss or damage occurs during the Policy Period.

You must advise us in writing within ten days after the property is first moved.

(2) We will also pay your expenses to move or store property covered under (1) above. The most we will pay to move or store property in any one occurrence is \$1,000.

e. Pollutant Clean Up And Removal

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

- (1) The date of direct physical loss or damage; or
- (2) The end of the Policy Period.

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

extracting the "pollutants" from the land or water.

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

f. Duplicate And Backup "Data"

If you store duplicate and backup "data" or "computer programs" on "media" in a separate building at least 100 feet from any described premises and there is no other insurance for such "data" or "computer programs", we will pay for direct physical loss of or damage to the "data", "computer programs" and "media" if caused by or resulting from any Covered Cause of Loss.

The most we will pay for loss or damage under this Additional Coverage is \$50,000.

g. Mechanical And Electrical Breakdown

We will pay, subject to the Breakdown Deductible, for direct physical loss of or damage to Covered Property inside your building if such loss or damage is caused by:

- (1) Mechanical breakdown or machinery breakdown; or
- (2) Short circuit, blowout, or other electrical damage to electrical equipment, apparatus, or devices including wiring, "computer programs" or "media".

We will not pay for loss caused by any change in your electric power supply, such as interruption, power surge or brownout, if the change originates more than 1,000 feet from the building containing your "data processing equipment".

Only with respect to this Additional Coverage, exclusions **2.b.**, **2.f.**, and **2.h.** under Section **B.** do not apply.

h. Fire Protection And Power Supply Equipment

We will pay for direct physical loss of or damage to fire protection and power supply equipment used exclusively with your "data processing equipment" if such loss or damage is caused by or results from a Covered Cause of Loss.

The most we will pay for loss or damage under this Additional Coverage for each described premises in any one occurrence is \$10,000.

i. Incompatible "Data Processing Equipment" And "Media"

In the event of loss or damage to Covered Property caused by or resulting from a Covered Cause of Loss, we will pay your costs to modify or replace undamaged "data processing equipment" if it:

- (1) Was dependent upon the damaged "data processing equipment" prior to the loss or damage; and
- (2) Is not compatible with the "data processing equipment" that replaces the property that sustained the loss or damage.

This Additional Coverage only applies to incompatible "data processing equipment" that is at a premises described in the Declarations.

The most we will pay under this Additional Coverage in any one occurrence is \$10,000.

j. Cyber-Related Loss

- (1) We will pay for:
 - (a) Direct physical loss or damage to Covered Property because of a "cyber event".
 - (b) The cost to replace or restore "data" stored on Covered Property that was destroyed or corrupted because of a "cyber event".

To the extent that "data" is not replaced or restored, loss will be valued at the cost of replacement of the "media" on which the "data" was stored, with blank "media" of substantially identical type.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" due to a "cyber event".
- (3) The most we will pay under this Additional Coverage - Cyber-Related Loss is \$5,000, for all loss or damage sustained and expense incurred in any one policy year, regardless of the number of occurrences of loss or damage, the number of interruptions or the number of premises, locations or computer systems involved. If loss payment on the first occurrence or relating to the first interruption does not exhaust this amount, then the balance is available for subsequent

loss or damage sustained or expense sustained or incurred as a result of subsequent interruptions in but not after that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to an occurrence or interruption which begins in one policy year and continues or results in additional loss, damage or expense in a subsequent policy year(s), all loss, damage or expense is deemed to be sustained in the policy year in which the occurrence or interruption began.

- (4) This Additional Coverage - Cyber-Related Loss does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (3) above has not been exhausted.
- k. Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

- (1) The coverage described in (2) and (6) below only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:
 - (a) A "specified cause of loss" other than fire or lightning; or
 - (b) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not, provided that these causes of loss are not otherwise excluded.
- (2) We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Additional Coverage, loss or damage is limited to:
 - (a) Direct physical loss of or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and

- (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
- (3) The coverage described under (2) above is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of:
 - (a) "Specified causes of loss" other than fire or lightning; or
 - (b) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not, provided that these causes of loss are not otherwise excluded;

which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss or damage which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

- (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 or dry rot or bacteria, and other loss or damage, we will not pay more for the total of all loss or damage than the applicable Limit of Insurance on the affected Covered Property.

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

- (5) The terms of this Additional Coverage do not increase or reduce the coverage provided under the Additional Coverage - **Collapse** of this Coverage Form.

- (6) The following, (a) or (b), applies only if Coverage for Business Income and/or Extra Expense is provided by this Coverage Form. Coverage applies to the described premises and only if "suspension" of your "operations" satisfies all terms and conditions applicable to these Coverages.

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

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

I. **Cost To Replace Or Restore "Data"**

We will pay the cost to replace or restore "data" which has been destroyed or corrupted while at a described premises by a Covered Cause of Loss. To the extent that "data" is not replaced or restored, the loss will be valued at the cost of replacement of the "media" on which the "data" was stored, with blank "media" of substantially identical type.

The most we will pay under this Additional Coverage - Cost To Replace Or Restore "Data" is \$5,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences

of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

m. Extended Business Income

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

- (1) Begins on the date property is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (2) Ends on the earlier of:
 - (a) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (b) 30 consecutive days after the date determined in (1) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located. Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

n. Arson, Theft And Vandalism Reward

We will pay a reward for information which leads to an arson, theft or vandalism conviction in connection with a loss covered under this policy. We will base the amount of our reward payment on the value of the information obtained. Our maximum payment for rewards under this Additional Coverage will be \$1,000 for each covered loss regardless of the number of persons who provide information.

6. Coverage Extensions

a. Newly Acquired Equipment And Location Coverage

You may extend the insurance that applies to "data processing equipment" to apply to:

- (1) Newly acquired "data processing equipment" located at:
 - (a) A premises described in the Declarations; or
 - (b) Any new location not described in the Declarations;
- (2) "Data processing equipment" at any new location you occupy not described in the Declarations.

The most we will pay for loss of or damage to property covered under (1)(a) above under this Extension is the least of 25% of the Limit of Insurance shown in the Declarations for "data processing equipment" at the described premises where the newly acquired "data processing equipment" is located or \$250,000. The most we will pay for loss of or damage to property covered under (1)(b) and (2) above under this Extension is \$250,000.

You must report any new equipment to us within 60 days of its acquisition or of moving any "data processing equipment" to a new location for coverage to apply. You agree to pay the additional premium for such equipment from the date you acquired it or any required additional premium if the rate for the new location is different from the old.

b. Property Off Premises

You may extend the insurance provided by this Coverage Form to apply to Covered Property that is away from the described premises, if it is:

- (1) Within the coverage territory; and
- (2) In the course of transit or located at a premises you do not own, lease, operate, or occupy.

The most we will pay in any one occurrence for loss or damage under this Extension is \$15,000.

c. Civil Authority

You may extend any insurance provided for Business Income and Extra Expense to apply under this Civil Authority coverage as described below.

We will pay for your actual loss of Business Income you sustain and Extra Expense you incur because of an order by the Health Department, Police Department, Fire Department, or other civil authority that prohibits access to premises described in the Declarations. The order must be the result of direct physical loss of or damage to property, other than at the described premises, caused by or resulting from a Covered Cause of Loss. This coverage will apply for a period of up to 30 consecutive days from the date of that order.

The excluded causes listed in the Exclusions section of this Coverage Form for Business Income and Extra Expense are also excluded for the coverage in c.

d. Business Income At Newly Acquired Locations

- (1) You may extend any insurance provided for Business Income and Extra Expense to apply to the actual loss of Business Income you sustain and Extra Expense you incur due to direct physical loss of or damage to property at any location you acquire other than fairs or exhibitions.
- (2) The most we will pay under this Extension, for the sum of Business Income and Extra Expense incurred, is \$25,000 at each location.
- (3) The insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (a) This policy expires;
 - (b) 60 days expire after you acquire or begin to construct the property; or
 - (c) You report values to us.

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

B. EXCLUSIONS

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

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

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.

d. Pollution

- (1) Release, discharge, or dispersal of "pollutants";
- (2) Removal, disposal, decontamination, or replacement of insured property which has been contaminated by "pollutants" and by law or civil authority must be restored, disposed of, or decontaminated;

except as provided in the Additional Coverage for Pollutant Clean Up or Removal.

e. "Fungus", Wet Rot, Dry Rot And Bacteria

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

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

This exclusion does not apply:

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

The Exclusions in Section B. Paragraph 1. above apply whether or not the loss event results in widespread damage or affects a substantial area.

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

- a. Delay, loss of use, loss of market.
- b. Mechanical breakdown, failure, changes in the arrangement of machine parts, error, omission, or deficiency in design, specifications, materials, or workmanship, except as provided in the Additional Coverage for Mechanical And Electrical Breakdown. But if a fire or explosion results, we will pay for loss or damage caused by the fire or explosion.
- c. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device, or false pretense.
- d. Unauthorized instructions to transfer property to any person or to any place.
- e. Corrosion, rust, or changes in humidity or temperature unless as the direct result of loss of or damage to the data processing system's air conditioning system caused by a Covered Cause of Loss.
- f. Processing or work upon the property, except as provided in the Additional Coverage for Mechanical And Electrical Breakdown.

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

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

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to covered property that is entrusted to others who are carriers for hire.

This exclusion does not apply to acts of destruction by your employees (including temporary or leased employees); but theft by employees (including temporary or leased employees) is not covered. However, coverage for acts of destruction by your employees (including temporary or leased employees) that cause or result in

"cyber event" is limited to that provided in the Additional Coverage for Cyber-Related Loss.

- h. Electricity, other than lightning, which causes damage to electrical equipment or wiring, except as provided in the Additional Coverage for Mechanical And Electrical Breakdown. But if a fire results, we will pay for loss caused by the fire.
 - i. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
 - j. "Cyber event" except as provided in the Additional Coverage for Cyber-Related Loss.
3. The following provisions apply only to Business Income Coverage and Extra Expense Coverage.

We will not pay for:

- a. Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a building or structure at a premises described in the Declarations containing Covered Property.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.
- b. Any increase in 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".
- c. Any Extra Expense or Business Income loss caused by:
 - (1) Programming errors or incorrect instructions.
 - (2) Any law governing the construction, repair, or demolition of buildings or other structures.
- d. Loss arising from computer servers located away from the described premises.
- e. Any other consequential loss.

4. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization, or governmental body.
 - c. Faulty, inadequate, or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation, or remodeling; or
 - (4) Maintenance;
 of part or all of any property wherever located.
 - d. Collapse, except as provided in the Additional Coverage for Collapse.
 - e. Wear and tear, gradual deterioration, depreciation, obsolescence, hidden or latent defect, any quality in the property that causes it to damage or destroy itself, insects, vermin or rodents.

C. LIMITS OF INSURANCE

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
2. The limits applicable to the Coverage Extensions:
 - a. Newly Acquired Equipment And Location Coverage; and
 - b. Property Off Premises;
 and the following Additional Coverages:
 - a. Pollutant Clean Up And Removal;
 - b. Fire Extinguishing Systems Discharge;
 - c. Duplicate And Backup "Data";
 - d. Fire Protection And Power Supply Equipment;
 - e. Cost To Replace Or Restore "Data"; and
 - f. Arson, Theft And Vandalism Reward;
 are in addition to the Limits of Insurance.
3. Payments under the Civil Authority Coverage Extension and Business Income At Newly Acquired Locations Coverage Extension and the following Additional Coverages will not increase the applicable Limit of Insurance:
 - a. Preservation Of Property;

- b. Collapse;
 - c. Incompatible "Data Processing Equipment" and "Media";
 - d. Cyber-Related Loss;
 - e. Extended Business Income;
 - f. Mechanical And Electrical Breakdown;
 - g. Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria; or
 - h. Debris Removal; but if the sum of direct physical loss and debris removal expense exceeds the Limit of Insurance we will pay up to an additional \$5,000 for each described premises in any one occurrence under the Debris Removal Additional Coverage.
4. If the Declarations page shows a Limit of Insurance for an Additional Coverage or Coverage Extension that is higher than the limit stated in the Additional Coverage or Coverage Extension, that higher limit will apply.

D. DEDUCTIBLE

1. We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss in excess of that Deductible, up to the applicable Limits of Insurance.
2. Any claim for loss or damage made under the Additional Coverage Mechanical And Electrical Breakdown is subject to the Breakdown Deductible shown in the Declarations.
3. Any theft of "portable personal computers" is subject to the Portable Personal Computer Deductible shown in the Declarations. If no such deductible is shown, the Data Processing Coverage Deductible applies.
When loss or damage from theft in any one occurrence involves more than one "portable personal computer" and a Portable Personal Computer Deductible is shown in the Declarations, that deductible will be applied to each "portable personal computer".
4. Any claim for Business Income loss is subject to either the Waiting Period or Deductible for Business Income as shown in the Declarations.

E. DATA PROCESSING CONDITIONS

1. The Common Policy Conditions apply to this Coverage Form.
2. The Commercial Inland Marine Conditions apply to this Coverage Form subject to the following:

a. Under **Loss Conditions:**

(1) The following is added to Duties In The Event Of Loss:

If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

(2) The following is added:

Business Income Loss Determination

(a) The amount of Business Income loss will be determined based on:

- (i) The Net Income of the business before the direct physical loss or damage occurred;
- (ii) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (iii) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (iv) Other relevant sources of information, including:
 - (aa) Your financial records and accounting procedures;
 - (bb) Bills, invoices and other vouchers; and
 - (cc) Deeds, liens or contracts.

(b) The amount of Extra Expense will be determined based on:

- (i) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (aa) The salvage value that remains of any property bought for temporary use during the "period of

restoration", once "operations" are resumed; and

- (bb) 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

- (ii) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

(c) **Resumption Of Operations**

We will reduce the amount of your:

- (i) 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.
- (ii) 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.

(3) The following is added:

Additional Loss Payment Provisions

In the event of loss or damage covered by this Coverage Form, at our option, we will either:

- (a) Pay the value of lost or damaged property as determined in the **General Condition, Valuation** below;
- (b) Pay the cost of repairing or replacing the lost or damaged property;
- (c) Take all or any part of the property at an agreed or appraised value; or
- (d) Repair, rebuild, or replace the property with other property of like kind and quality.

- (4) **Other Insurance** is replaced by the following:

Other Insurance

- (a) If there is other insurance available to cover the same loss as the insurance under this Coverage Form what we will pay depends on what property is involved and what type of other insurance exists. In any event the amount of our deductible will be taken from our payment and our maximum payment will be the limit in our Declarations.

(b) **Other Data Processing Insurance**

If other data processing insurance covers loss of or damage to "data processing equipment", "computer programs", "data" or "media" and the loss or damage is also covered under this Coverage Form, we will pay only the excess over what you should have received from the other insurance. We will pay the excess whether you can collect on the other insurance or not.

(c) **Other Property Insurance**

If insurance other than data processing insurance covers loss of or damage to "data processing equipment", "computer programs", "data" or "media" and the loss or damage is also covered under this Coverage Form, this Coverage Form is primary insurance. This means we will pay your covered loss up to the limit of coverage that applies. Any loss over that limit will be the responsibility of the other insurance.

(d) **Other Business Income Or Extra Expense Insurance**

If any other insurance covers any Business Income or Extra Expense that is also covered under this Coverage Form, we will pay only the excess over what you should have received from the other insurance. We will pay the excess whether you can collect on the other insurance or not.

b. Under **General Conditions**:

- (1) **Policy Period** is replaced by the following:

Policy Period, Coverage Territory

1. We cover loss or damage commencing during the Policy Period shown in the Declarations and within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

- (2) **Valuation** is replaced by the following:

Valuation

1. In the event of loss of or damage to "data processing equipment", valuation will be determined as of the time of loss or damage on one of the following bases as noted in the Declarations:
 - a. Actual cash value of that property;
 - b. Replacement cost, meaning the cost of repairing or replacing the property with material of the same kind and quality, but not more than the limit of coverage that applies to the equipment; or
 - c. Upgraded value, meaning the cost of replacing destroyed equipment with equipment which can perform the same function as the destroyed equipment, but has greater processing ability. The following conditions apply for upgraded value:
 - (1) You must give us a list of equipment including:
 - (a) A description and current replacement cost for each piece of insured equipment which you plan to upgrade; and
 - (b) The description and current cost for each upgraded item.
 - (2) There must be a total loss of the currently insured equipment. For partial loss we will pay for the equipment on a replacement cost basis as explained in b. above.

- (3) We will not pay you more than the least of the following:
 - (a) The amount you actually spend to replace the current item;
 - (b) The amount you showed as the current cost of the upgraded item on the latest list you gave to us; or
 - (c) The limit of coverage that applies to the equipment.
 - (4) We will not pay on an upgraded value basis until you have purchased the upgraded item and given us the description and current cost of the upgraded item. Before that we will pay for the equipment on a replacement cost basis as explained in **b.** above.
 2. In the event of loss of or damage to "computer programs", "data" or "media", valuation of "computer programs" and "data" will be determined based on the actual cost of replacement or restoration of such "data" or "computer programs" provided you actually do replace or restore the "data" or "computer programs" and valuation of "media" will be determined based on the cost to repair or replace the "media" with substantially identical property; otherwise on the value of the blank "media" on which the "data" and "computer programs" are recorded.

3. Additional Conditions

The following Additional Conditions also apply to this Coverage Form:

a. Coinsurance

The Coinsurance percentage shown in the Declarations helps determine how much we will pay for loss of or damage to covered "data processing equipment".

The value of covered "data processing equipment" is to be determined on either an actual cash value, replacement cost, or upgraded value basis as shown in the Declarations.

We will not pay the full amount of any loss if the value of covered "data processing equipment" at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the covered "data processing equipment".

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

- (1) Multiply the value of covered "data processing equipment" at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the covered "data processing equipment" by the figure determined in step (1);
- (3) Multiply the total amount of the covered loss, before the application of any deductible, by the figure determined in step (2); and
- (4) Subtract the deductible from the figure determined in step (3).

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

Example: (50% Coinsurance Penalty)

- Data Processing Equipment value at time of loss is \$100,000
- The Coinsurance percentage is 80%
- Limit of Insurance is \$40,000
- Deductible amount is \$100
- Amount of loss is \$10,000

Step (1): $\$100,000 \times 80\% = \$80,000$

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

Step (3): $\$10,000 \times .50 = \$5,000$

Step (4): $\$5,000 - \$100 = \$4,900$

To receive full payment, except for the deductible, the insured would have to maintain a Limit of Insurance of at least \$80,000.

b. Liberalization

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium, within 45 days prior to or during the Policy Period, the broadened coverage will immediately apply to this Coverage Form.

F. DEFINITIONS

1. "Computer programs" means operating system code or software applications whether owned by you or licensed to you and used in your business.

2. "Cyber event" means unauthorized intrusion into Covered Property by:
 - a. Virus, electronic mail, harmful code or other similar instruction designed to damage, destroy, distort, contaminate, delete, erase, corrupt, alter, modify, deface, degrade, disrupt, deny access or deny service; or
 - b. Unauthorized copying, scanning, viewing or use.
3. "Data" means electronic files and information stored on "media" or "data processing equipment" owned by you or licensed to you and used in your business.
4. "Data processing equipment" means:
 - a. Programmable electronic computer hardware and their equipment, including a network of such equipment, that is used to store, retrieve and process "data";
 - b. Associated peripheral computer equipment that provide communication or data transmission functions, or input and output functions such as printing, scanning, imaging, or copying;
 - c. The air conditioning equipment used exclusively with your computer operations; and
 - d. "Portable personal computers".
5. "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.
6. "Media" means tapes, disks, drums, film, cells and cards which are used with electronically controlled equipment.
7. "Operations" means your business activities occurring at the described premises.
8. "Period of restoration" means the period of time that :
 - a. Begins:
 - (1) 72 hours (or the revised number of hours shown in the Declarations) after the time of direct physical loss or damage for Business Income Coverage; or

- (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.
- "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".
- The expiration date of this policy will not cut short the "period of restoration".
9. "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.
 10. "Portable personal computers" means laptop, palmtop or notebook style personal computers and their associated devices and accessories.
 11. "Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 12. "Suspension" means the slowdown or cessation of your business activities.

MISCELLANEOUS PROPERTY FLOATER COVERAGE FORM

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

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

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

A. DESCRIPTION

Description of Property	Limit of Insurance
SEE DECLARATION	

Deductible:

B. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form, means:

Your property, or property of others in your care, custody or control, described in this Form.

2. Property Not Covered

Covered Property does not include:

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

3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

4. Additional Coverage - Collapse

We will pay for direct "loss" caused by or resulting from risks of direct physical "loss" involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as covered in this Coverage Form;

- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

C. EXCLUSIONS

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

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or

- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.
- 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" caused by or resulting from any of the following:
 - a. Dishonest acts by you, anyone else with an interest in the property, your or their employees or authorized representatives or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.
But this exclusion does not apply to a carrier for hire.
 - b. Artificially generated current creating a short circuit or other electric disturbance within an article covered under this Coverage Form.
But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.
This exclusion only applies to "loss" to that article in which the disturbance occurs.
 - c. Unexplained disappearance.
 - d. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - e. Unauthorized instructions to transfer property to any person or to any place.
 - f. Processing or work upon the property.
But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.
 - g. Carelessness or rough handling or disregard of reasonable precautions by you or your employees.
3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss."
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
or part or all of any property wherever located.
 - d. Collapse except as provided in the Additional Coverage - Collapse section of this Coverage Form.
 - e. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation, mechanical breakdown, insects, vermin, rodents, corrosion, rust, dampness, cold or heat.

D. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in this Form.

E. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limit of Insurance exceeds the Deductible shown in this Form. We will then pay the amount of the adjusted "loss" in excess of the Deductible up to the applicable Limit of Insurance.

F. ADDITIONAL CONDITIONS

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

1. Coverage Territory

We cover property wherever located within:

- a. The United States of America;
- b. Puerto Rico; and
- c. Canada.

2. Coinsurance

All items must be insured for their total value as of the time of "loss" or you will incur a penalty.

The penalty is that we will pay only the proportion of any "loss" to these items that the Limit of Insurance shown in this Form for them bears to their total value as of the time of "loss."

G. DEFINITIONS

"Loss" means accidental loss or damage.

FINE ARTS FLOATER COVERAGE FORM

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

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

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

A. SCHEDULE

Limit of Insurance		Locations Covered	
\$		SEE DECLARATION	
Description of Property	Title of Article	Artist or Maker	Amount of Insurance
Deductible:			

B. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss unless an Exclusion applies.

- 1. Covered Property**, as used in this Coverage Form, means:

Fine arts specified in the Schedule in this form, being your fine arts or the fine arts of others in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

- Contraband, or property in the course of illegal transportation or trade;
- Watercraft and aircraft; plans, blue-prints, designs or specifications;

- Insured property while waterborne except while on a regular ferry line or unless otherwise endorsed on.

However, loss to such property caused by fire would be covered.

3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

4. Additional Coverage - Collapse

We will pay for direct "loss" caused by or resulting from risks of direct physical "loss" involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as covered in this Coverage Form;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

C. EXCLUSIONS

1. We will not pay for "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."
 - a. **Governmental Action**
Seizure or destruction of property by order of governmental authority.
But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.
 - b. **Nuclear Hazard**
 - (1) Any weapon employing atomic fission or fusion; or
 - (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.
 - 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" caused by or resulting from any of the following:
 - a. Delay, loss of market, or loss of use.
 - b. Bankruptcy, foreclosure or similar proceedings.
 - c. Dishonest acts by you, anyone else with an interest in the property, your or their employees or authorized representatives or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.
But this exclusion does not apply to a carrier for hire.
 - d. Any repairing or process involving restoration or retouching of Covered Property.
 - e. Breakage, marring or scratching of art glass windows; marbles or statuary; glassware; bric-a-brac or porcelains; and other similar fragile articles unless caused by:
 - (1) Fire or lightning;
 - (2) explosion;
 - (3) windstorm, cyclone or tornado;
 - (4) earthquake or flood;
 - (5) theft or attempted theft;
 - (6) aircraft;
 - (7) collision, derailment or overturn of conveyance; and
 - (8) malicious damage.
3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss."
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;
of part or all of any property wherever located.

- d. Collapse except as provided in the Additional Coverage - Collapse section of this Coverage Form.
- e. Gradual deterioration; hidden or latent defect; any quality in the property that causes it to damage or destroy itself; insects, vermin or rodents; corrosion; rust; dampness; cold or heat.

D. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Schedule in this Coverage Form.

E. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible shown in the Schedule in this form. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

F. ADDITIONAL CONDITIONS

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

1. Coverage Territory

We cover property wherever located within or between:

- a. The United States of America;
- b. Puerto Rico; and
- c. Canada.

2. Packing

If packing and unpacking is necessary for shipment or transportation of Covered Property, you agree to supervise packing operations or have the Covered Property packed and unpacked by competent packers.

3. Condition of Property

All Covered Property must be in sound condition at the time it becomes insured.

4. Scheduled Property

Each item which is scheduled in this form is considered to be separately insured.

5. Waiver of Subrogation

You may not agree to release or impair any of your rights against any party to recover the full amount of any "loss" covered under this policy. This cannot be done either before or after the "loss."

However, this restriction will not apply to an agreement you make in your contract(s) to perform work.

6. Valuation

We shall not be liable for more than the amount you stated in the Schedule of this Coverage Form. These amounts are the agreed values of your articles for the purposes of this insurance.

7. Exhibition

Covered Property is not covered while located on fairgrounds or on the premises of any national or international exposition unless you have specifically described such premises in the Schedule of this Coverage Form or endorsed them onto your policy at a date after this policy takes effect.

G. EXTENSION OF COVERAGE

1. After this policy takes effect, we will consider additional items which you acquire during the term of this policy as Covered Property if the following conditions are met:
 - a. The items must be similar in nature to those in the Schedule in this form.
 - b. The items must be your property or the property of others in your care, custody, or control.
 - c. You must report such items within ninety (90) days from the date acquired and pay a premium on them at pro rata of the policy rate from that date.
2. Under this extension we will not pay more than the actual cash value of the Covered Property. The most we will pay under this extension is 25% of the total Limit of Insurance shown on the Schedule in this form or \$25,000, whichever is less.

H. DEFINITIONS

"Loss" means accidental loss or damage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MECHANICAL AND ELECTRICAL BREAKDOWN REDEFINED

This endorsement modifies insurance provided under the following:

DATA PROCESSING COVERAGE FORM

Additional Coverage Mechanical And Electrical Breakdown is replaced by the following:

Mechanical And Electrical Breakdown

1. We will pay, subject to the Breakdown Deductible, for direct physical loss or damage caused by "equipment breakdown" to Covered Property inside your building.

We will not pay for loss caused by any change in your electrical power supply, such as interruption, power surge or brown-out, if the change originates more than 1,000 feet from the building containing your "data processing equipment".

2. As respects this Additional Coverage:

- a. "Equipment breakdown" means:

- (1) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (2) Mechanical breakdown, including rupture or bursting caused by centrifugal force;

- b. "Equipment breakdown" does not mean:

- (1) Any actual or alleged failure, malfunction or inadequacy of:
 - (a) Any of the following, whether belonging to the insured or to others:
 - (i) Computer hardware, including microprocessors;
 - (ii) Computer application software or other electronic media and records;

- (iii) Computer operating systems and related software;

- (iv) Computer networks;

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

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

- (b) Any other products, and any services, data or functions; whether belonging to or provided by the insured or others; that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph 2.b.(1)(a) above;

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

- (2) Your, or anyone on your behalf, providing or failing to provide advice, consultation, design, evaluation, inspection, installation, maintenance, repair, modification, replacement or supervision for the purpose of:

- (a) Defining, correcting or testing for any potential or actual problem described in paragraph 2.b.(1) above; or

- (b) Correcting any deficiencies or changing any features of any items described in paragraph 2.b.(1) above.

3. As respects this Additional Coverage, Exclusions 2.b., 2.f. and 2.h. do not apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIBRARIES

This endorsement modifies insurance provided under the following:

VALUABLE PAPERS AND RECORDS COVERAGE FORM

The following also apply to libraries:

A. Property Not Covered

The following is added:

Property away from your "premises" while in the care, custody or control of any borrower or renter.

B. Exclusions

The following are added:

- 1.** We will not pay for loss or damage caused by or resulting from:
 - a.** Failure of any borrower or renter to return the property to you;

b. Vandalism or mutilation by anyone using the property within your premises; or

c. Unexplained disappearance.

- 2.** We will not pay for loss or damage that depends on an audit of records or an inventory computation to prove its factual existence.

But this does not prohibit the use of these procedures to support the determination of loss or damage that we would otherwise pay.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FINE ARTS BREAKAGE COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

FINE ARTS FLOATER COVERAGE FORM (8-E-1461)

It is agreed that:

Section **C. Exclusions**, Part **2.e.** is deleted and replaced by the following:

- e.** Marring or scratching of art glass windows; marbles or statuary; glassware; bric-a-brac or porcelains; and other similar fragile articles unless caused by:
 - (1)** Fire or lightning;
 - (2)** explosion;
 - (3)** windstorm, cyclone or tornado;
 - (4)** earthquake or flood;
 - (5)** theft or attempted theft;
 - (6)** aircraft;
 - (7)** collision, derailment or overturn of conveyance; and
 - (8)** malicious damage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

SCHEDULE

Provisions Applicable

Loss **Lender's**
Payable **Loss Payable.**

Prem No.	Bldg No.	Description of Property	Loss Payee (Name & Address)
		LEASE #40137744 2017 POLARIS BRUTUS	TD EQUIPMENT FINANCE, ISAOA : 1006 ASTORIA BLVD, CHERRY HILL, NJ, 08034
		LEASE #40120122 HIGH SCHOOL ROOFS	TD EQUIPMENT FINANCE, ISAOA : 1006 ASTORIA BLVD., CHERRY HILL, NJ, 08034
		LEASE #40130488 TECHNOLOGY & COPIERS	TD EQUIPMENT FINANCE, ISAOA : 1006 ASTORIA BLVD., CHERRY HILL, NJ, 08034
		LEASE #40110481 HEATING, AC PIPING	TD EQUIPMENT FINANCE, ISAOA : 1006 ASTORIA BLVD, CHERRY HILL, NJ, 08034
		LEASE #40110056 VARIOUS	TD EQUIPMENT FINANCE, ISAOA : 1006 ASTORIA BLVD, CHERRY HILL, NJ, 08034
		LAPTOPS (SEE 8E1613) COST \$379,918	FIRST NIAGARA LEASING INC ISAOA : 716 EXCHANGE ST. STE 900, BUFFALO, NY, 14210
		SEE 8E1613	BANK OF AMERICA PUBLIC CAPITAL CORP : PO BOX 4431, ATLANTA, GA, 30302

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

A. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

B. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading;
- d. Financing statements; or
- e. Mortgages, deeds of trust, or security agreements.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
- c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (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 Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee 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 Loss Payee's rights will be transferred to us to the extent of the amount we pay; and

- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:

- a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

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

POLICY NUMBER: 5175035

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES/EXTENSION SCHEDULE

Policy Change

This Endorsement forms a part of the policy numbered below:

Number _____

Policy Number 5175035		Policy Effective 08-01-2021	Changes		Company Republic Franklin Ins. Co.	
Term 1 Yrs.	From 08-01-2021	To 08-01-2022	☐ Subject to Audit		☐ Not Subject to Audit	
Named Insured and Mailing Address FREEHOLD REGIONAL BOARD OF EDUCATION 11 PINE ST , ENGLISHTOWN , NJ , 07726			Producer Usi Ins Services LLC			
			Producer No. GAU0114			

IT IS AGREED THAT for any box in Part A marked X, the policy is amended as stated in Part B.

P A R T A.	☐ NAME OF INSURED	☐ DELETING ENDORSEMENT(S)	☐ AMENDING PREMIUM
	☐ ADDRESS OF INSURED INSURANCE	☐ ADDING A CLASSIFICATION	☐ REVISE SCHEDULE OF UNDERLYING
	☐ ADDING LOCATION	☐ DELETING A CLASSIFICATION	☐ AMENDING RATES
	☐ DELETING LOCATION	☐ CHANGING A CLASSIFICATION	☐ AMENDING MINIMUM PREMIUM
	☐ CHANGING LOCATION	☐ ADDING/DELETING LOSS PAYEE	☐ AMENDING LIMIT(S) OF LIABILITY
	☐ CHANGING POLICY PERIOD	☐ ADDING/DELETING MORTGAGEE	☐ ADDING INSURED
	☐ ADDING ENDORSEMENT(S)	☐ AMENDING PREMIUM BASIS/PROTECTION CLASS	
	P A R T B.	COVERED BLANKET LOCATIONS FOR 8D1700: LOC/BLDGDESCRIBED PREMISES 1-111 PINE STREET, ENGLISHTOWN, NJ 2-1405 SQUANKUM YELLOWBROOK ROAD, NJ 3-12 ROBERTSVILLE ROAD, FREEHOLD, NJ 4-1281 ELTON ADELPHIA RD, MONMOUTH, NJ 5-120 CHURCH LN, MANALAPAN, NJ 6-195 N MAIN ST., MARLBORO, NJ 7-1117 CROW HILL ROAD, FREEHOLD, NJ 8-159 FIVE POINTS ROAD, MONMOUTH, NJ	

PREMIUM ADJUSTMENT

Previous	Increase	Decrease	New	PREMIUM Due at Policy Change Effective Date ☒ Additional ☐ Return \$
Total Policy Premium			Total Policy Premium	
\$	\$	\$	\$	
Total Installment Premium			Total Installment Premium	
\$	\$	\$	\$	

Authorized Representative Signature

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES/EXTENSION SCHEDULE

Policy Change

This Endorsement forms a part of the policy numbered below:

Number _____

Policy Number		Policy Effective	Changes	Company	
Term Yrs.	From	To	☐	Subject to Audit	☐ Not Subject to Audit
Named Insured and Mailing Address			Producer		
			Producer No.		

IT IS AGREED THAT for any box in Part A marked X, the policy is amended as stated in Part B.

P A R T A.	☐ NAME OF INSURED	☐ DELETING ENDORSEMENT(S)	☐ AMENDING PREMIUM
	☐ ADDRESS OF INSURED INSURANCE	☐ ADDING A CLASSIFICATION	☐ REVISE SCHEDULE OF UNDERLYING
	☐ ADDING LOCATION	☐ DELETING A CLASSIFICATION	☐ AMENDING RATES
	☐ DELETING LOCATION	☐ CHANGING A CLASSIFICATION	☐ AMENDING MINIMUM PREMIUM
	☐ CHANGING LOCATION	☐ ADDING/DELETING LOSS PAYEE	☐ AMENDING LIMIT(S) OF LIABILITY
	☐ CHANGING POLICY PERIOD	☐ ADDING/DELETING MORTGAGEE	☐ ADDING INSURED
	☐ ADDING ENDORSEMENT(S)	☐ AMENDING PREMIUM BASIS/PROTECTION CLASS	
	P A R T B.	THE FOLLOWING PERTAINS TO FIRST NIAGARA LEASING INC., ISAOA, 726 EXCHANGE ST., SUITE 900, BUFFALO, NY 14210: THEY ARE LOSS PAYEE RE: 410 DEL LATITUDE LAPTOPS - COST \$379,918.30. LOCATED AT 11 PINE ST., HOWELL HIGH SCHOOK, MARLBORO HIGH AND 281 ELTON ADEPHIA RD., FREEHOLD.	
IN REGARDS TO BANK OF AMERICA CAPITAL CORP., P.O. BOX 4431 ATLANDA, GA 30302 RE: MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT AND ANY AND ALL EQUIPMENT TERE TO BETWEEN THE FREEHOLD REGIONAL HIGH SCHOOL DISTRICT BOARD OF EDUCATION AND THE BANC OF AMERICA PUBLIC CAPITAL CORP. BANC OF AMERICA PUBLIC CAPITAL CORP ITS AFFILIATES SUCCESSORS AND ASSIGNS AS THEIR INTEREST MAY APPEAR AS SOLE LOSS PAYEE.			

PREMIUM ADJUSTMENT

Previous	Increase	Decrease	New	PREMIUM Due at Policy Change Effective Date ☒ Additional ☐ Return \$
Total Policy Premium \$	\$	\$	Total Policy Premium \$	
Total Installment Premium \$	\$	\$	Total Installment Premium \$	

Authorized Representative Signature

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FINE ARTS VALUATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

FINE ARTS FLOATER COVERAGE FORM
COMMERCIAL INLAND MARINE CONDITION

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

Valuation

We shall not be liable, with respect to fine arts described in the Schedule of the Fine Arts Floater Coverage Form, for more than the market value at time of loss or damage of such fine arts, and in no event for more than the Amount of Insurance stated in the Schedule of such coverage form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTH MOVEMENT EXCLUSION

This endorsement modifies insurance provided under the following:

DATA PROCESSING COVERAGE FORM

In consideration of a return premium, the following changes apply:

- I. The following is added to Paragraph 1. of Section **B. Exclusions:**

Earth Movement

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

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

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

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

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

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

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

- II. Under the **Additional Coverage** for **Collapse**, volcanic action and earthquake are deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTH MOVEMENT AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART

If your policy includes an **Earth Movement** exclusion, this Earth Movement exclusion applies regardless of whether the earth movement is caused by an act of nature or is otherwise caused.



REPUBLIC FRANKLIN INSURANCE CO.
180 GENESEE STREET
NEW HARTFORD, NY 13413

U0114
USI INS SERVICES LLC
180 PARK AVE, SUITE 102
FLORHAM PARK, NJ 07932
(973)315-0400

POLICY NUMBER: CPP 5175035

NAMED INSURED: FREEHOLD REGIONAL BOARD OF EDUCATION

MAILING ADDRESS: 11 PINE ST
ENGLISH TOWN, NJ 07726
FORM OF BUSINESS: NOT FOR PROFIT ORGANIZATION

BUSINESS DESCRIPTION: SCHOOLS - KINDERGARTEN THROUGH HIGH SCHOOL - PUBLIC

POLICY PERIOD: FROM 08-01-2021 TO 08-01-2022 12:01 A.M. at your address shown above.

GOVERNMENT CRIME COVERAGE PART DECLARATIONS

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

Coverage Is Written:



Primary



Excess



Coindemnity



Concurrent

EMPLOYEE BENEFIT PLAN(S) INCLUDED AS NAMED INSURED(S):

INSURING AGREEMENTS, LIMITS OF INSURANCE AND DEDUCTIBLES:

INSURING AGREEMENTS	LIMIT OF	DEDUCTIBLE	PREMIUM
	INSURANCE	AMOUNT	
	Per	Per	
	Occurrence	Occurrence	
1. Employee Theft - Per Loss Coverage	\$500,000	\$1,000	\$5,076

CPP CR 01 5175035

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08-17-21

2. Employee Theft - Per Employee Coverage	Not Covered	Not Covered	
3. Forgery Or Alteration	\$200,000	\$1,000	\$784
4. Inside The Premises - Theft Of Money And Securities	\$225,000	\$1,000	\$808
5. Inside The Premises - Robbery Or Safe Burglary Of Other Property	\$100,000	\$1,000	\$887
6. Outside The Premises	\$225,000	\$1,000	\$100
7. Computer And Funds Transfer Fraud	\$250,000	\$1,000	\$680
8. Money Orders And Counterfeit Paper Currency	\$250,000	\$1,000	\$27

If Added by Endorsement, Insuring Agreement(s):

9. Fraudulent Impersonation	\$100,000	\$1,000	\$362
10. 8E1613 Policy Changes/Extension Schedule			\$0
Head Of The Class Uni-Flex Endorsement	SEE FORM	SEE FORM	\$6,257

**NJ PROPERTY-LIABILITY \$90
INSURANCE GUARANTY
ASSOCIATION SURCHARGE**

Total \$14,981

Coverage is provided only if an amount is shown opposite an Insuring Agreement. If the amount is left blank or "Not Covered" is inserted, such Insuring Agreement and any other reference thereto in this policy are deleted.

CANCELLATION OF PRIOR INSURANCE: By acceptance of this Policy, you give us notice cancelling prior policy Nos.

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

COUNTERSIGNED _____

(Date)

BY:

Sharon C Peck
(Authorized Representative)

CPP CR 01 5175035

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08-17-21

GOVERNMENT CRIME COVERAGE FORM (LOSS SUSTAINED FORM)

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

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

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

A. Insuring Agreements

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

1. Employee Theft – Per Loss Coverage

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

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

2. Employee Theft – Per Employee Coverage

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

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

3. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

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

- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

- b. If you are sued for refusing to pay any instrument covered in Paragraph 3.a., on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay for such legal expenses is in addition to the Limit of Insurance applicable to this Insuring Agreement.

4. Inside The Premises – Theft Of Money And Securities

We will pay for:

- a. Loss of "money" and "securities" inside the "premises" or "financial institution premises":

- (1) Resulting directly from "theft" committed by a person present inside such "premises" or "financial institution premises"; or

- (2) Resulting directly from disappearance or destruction.

- b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

- c. Loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of, or unlawful entry into, those containers.

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

We will pay for:

- a. Loss of or damage to "other property":
 - (1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or
 - (2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".
- b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.
- c. Loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

6. Outside The Premises

We will pay for:

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

7. Computer And Funds Transfer Fraud

a. We will pay for:

- (1) Loss resulting directly from a fraudulent:
 - (a) Entry of "electronic data" or "computer program" into; or
 - (b) Change of "electronic data" or "computer program" within;
any "computer system" owned, leased or operated by you, provided the fraudulent entry or fraudulent change causes, with regard to Paragraphs 7.a.(1)(a) and 7.a.(1)(b):
 - (i) "Money", "securities" or "other property" to be transferred, paid or delivered; or
 - (ii) Your account at a "financial institution" to be debited or deleted.

- (2) Loss resulting directly from a "fraudulent instruction" directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that account.

- b. As used in Paragraph 7.a.(1), fraudulent entry or fraudulent change of "electronic data" or "computer program" shall include such entry or change made by an "employee" acting, in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with you to design, implement or service "computer programs" for a "computer system" covered under this Insuring Agreement.

8. Money Orders And Counterfeit Money

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

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

B. Limit Of Insurance

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

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

C. Deductible

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

D. Exclusions

1. This insurance does not cover:

a. Acts Committed By You

Loss resulting from "theft" or any other dishonest act committed by you, whether acting alone or in collusion with other persons.

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

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

c. Acts Committed By Your Officials, Employees Or Representatives

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

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

except when covered under Insuring Agreement **A.1.** or **A.2.**

d. Confidential Or Personal Information

Loss resulting from:

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

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

e. Data Security Breach

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

f. Governmental Action

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

g. Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance; or
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

h. Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement **A.3.**

i. Nuclear Hazard

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

j. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

k. Virtual Currency

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

l. War And Similar Action

Loss or damage resulting from:

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

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
2. Insuring Agreements **A.1.** and **A.2.** do not cover:
 - a. **Bonded Employees**
Loss caused by any "employee" required by law to be individually bonded.
 - b. **Inventory Shortages**
Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - (1) An inventory computation; or
 - (2) A profit and loss computation.
However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.
 - c. **Trading**
Loss resulting from trading, whether in your name or in a genuine or fictitious account.
 - d. **Treasurers Or Tax Collectors**
Loss caused by any treasurer or tax collector by whatever name known.
3. Insuring Agreements **A.4.**, **A.5.** and **A.6.** do not cover:
 - a. **Accounting Or Arithmetical Errors Or Omissions**
Loss resulting from accounting or arithmetical errors or omissions.
 - b. **Exchanges Or Purchases**
Loss resulting from the giving or surrendering of property in any exchange or purchase.
 - c. **Fire**
Loss or damage resulting from fire, however caused, except:
 - (1) Loss of or damage to "money" and "securities"; and
 - (2) Loss from damage to a safe or vault.
 - d. **Money Operated Devices**
Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
 - e. **Motor Vehicles Or Equipment And Accessories**
Loss of or damage to motor vehicles, trailers or semitrailers or equipment and accessories attached to them.
 - f. **Transfer Or Surrender Of Property**
 - (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "financial institution premises":
 - (a) On the basis of unauthorized instructions; or
 - (b) As a result of a threat including, but not limited to:
 - (i) A threat to do bodily harm to any person;
 - (ii) A threat to do damage to any property;
 - (iii) A threat to introduce a denial of service attack into any "computer system";
 - (iv) A threat to introduce a virus or other malicious instruction into any "computer system" which is designed to damage, destroy or corrupt "electronic data" or "computer programs" stored within the "computer system"; or
 - (v) A threat to disseminate, divulge or utilize:
 - i. Your confidential information;
 - ii. Confidential or personal information of another person or organization; or
 - iii. Weaknesses in the source code within any "computer system".
 - (2) However, this exclusion does not apply under Insuring Agreement **A.6.** to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:
 - (a) Had no knowledge of any threat at the time the conveyance began; or

- (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

g. Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

h. Voluntary Parting Of Title To Or Possession Of Property

Loss resulting from your, or anyone else acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

4. Insuring Agreement A.7. does not cover:

a. Authorized Access

Loss resulting from a fraudulent:

- (1) Entry of "electronic data" or "computer program" into; or
- (2) Change of "electronic data" or "computer program" within;

any "computer system" owned, leased or operated by you by a person or organization with authorized access to that "computer system", except when covered under Insuring Agreement A.7.b.

b. Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

c. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

d. Fraudulent Instructions

Loss resulting from an "employee" or "financial institution" acting upon any instruction to:

- (1) Transfer, pay or deliver "money", "securities" or "other property"; or
- (2) Debit or delete your account;

which instruction proves to be fraudulent, except when covered under Insuring Agreement A.7.a.(2) or A.7.b.

e. Inventory Shortages

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

- (1) An inventory computation; or
- (2) A profit and loss computation.

E. Conditions

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

1. Conditions Applicable To All Insuring Agreements

a. Additional Premises Or Employees

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", such "premises" and "employees" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" or "employees" is not required, and no additional premium will be charged for the remainder of the Policy Period shown in the Declarations.

b. Concealment, Misrepresentation Or Fraud

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other Insured, at any time, intentionally conceals or misrepresents a material fact concerning:

- (1) This insurance;
- (2) The property covered under this insurance;
- (3) Your interest in the property covered under this insurance; or
- (4) A claim under this insurance.

c. Cooperation

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

d. Duties In The Event Of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property", you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement A.1., A.2. or A.3.) involves a violation of law, you must also notify the local law enforcement authorities;

- (2) Give us a detailed, sworn proof of loss within 120 days;
- (3) Cooperate with us in the investigation and settlement of any claim;
- (4) Produce for our examination all pertinent records;
- (5) Submit to examination under oath at our request and give us a signed statement of your answers; and
- (6) Secure all of your rights of recovery against any person or organization responsible for the loss and do nothing to impair those rights.

e. Employee Benefit Plans

The employee benefit plans shown in the Declarations (hereafter referred to as Plan) are included as Insureds under Insuring Agreement **A.1.** or **A.2.**, subject to the following:

- (1) Any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
- (2) The Deductible Amount applicable to Insuring Agreement **A.1.** or **A.2.** does not apply to loss sustained by any Plan.

f. Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you no later than one year from the date of that cancellation.

However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

g. Joint Insured

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any Insured or official of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.

- (4) If this insurance or any of its coverages are cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you no later than one year from the date of that cancellation.

However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.
- (6) Payment by us to the first Named Insured for loss sustained by any Insured, or payment by us to any employee benefit plan for loss sustained by that Plan, shall fully release us on account of such loss.

h. Legal Action Against Us

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within two years from the date you "discovered" the loss.

If any limitation in this condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

i. Liberalization

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this insurance.

j. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate

(1) Loss Sustained Partly During This Insurance And Partly During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

- (a) Partly during the Policy Period shown in the Declarations; and
- (b) Partly during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this insurance became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the policy period(s) of the prior insurance.

(2) Loss Sustained Entirely During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

- (a) This insurance became effective at the time of cancellation of the prior insurance; and
- (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the policy period(s) of any other prior insurance.

(3) In settling loss under Paragraphs j.(1) and j.(2):

- (a) The most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior insurance issued by us.

- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this insurance. If no loss was sustained under this insurance, we will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this insurance, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

- (4) The following examples demonstrate how we will settle losses subject to this condition:

Example Number 1

The Insured sustained a covered loss of \$10,000 resulting directly from an "occurrence" taking place during the terms of Policy **A** and Policy **B**.

Policy A

The current policy. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

Policy B

Issued prior to Policy **A**. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

Settlement Of Loss

The amount of loss sustained under Policy **A** is \$2,500 and under Policy **B**, \$7,500.

The highest single Limit of Insurance applicable to this entire loss is \$50,000 written under Policy **A**. The Policy **A** Deductible Amount of \$5,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy **A** (\$2,500) is settled first. The amount we will pay is nil (\$0.00) because the amount of loss is less than the Deductible Amount (i.e., \$2,500 loss - \$5,000 deductible = \$0.00).

- (b) The remaining amount of loss sustained under Policy **B** (\$7,500) is settled next. The amount recoverable is \$5,000 after the remaining Deductible Amount from Policy **A** of \$2,500 is applied to the loss (i.e., \$7,500 loss - \$2,500 deductible = \$5,000).

The most we will pay for this loss is \$5,000.

Example Number 2

The Insured sustained a covered loss of \$250,000 resulting directly from an "occurrence" taking place during the terms of Policy **A** and Policy **B**.

Policy A

The current policy. Written at a Limit of Insurance of \$125,000 and a Deductible Amount of \$10,000.

Policy B

Issued prior to Policy **A**. Written at a Limit of Insurance of \$150,000 and a Deductible Amount of \$25,000.

Settlement Of Loss

The amount of loss sustained under Policy **A** is \$175,000 and under Policy **B**, \$75,000.

The highest single Limit of Insurance applicable to this entire loss is \$150,000 written under Policy **B**. The Policy **A** Deductible Amount of \$10,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy **A** (\$175,000) is settled first. The amount we will pay is the Policy **A** Limit of \$125,000 because \$175,000 loss - \$10,000 deductible = \$165,000, which is greater than the \$125,000 policy limit.
- (b) The remaining amount of loss sustained under Policy **B** (\$75,000) is settled next. The amount we will pay is \$25,000 (i.e., \$150,000 Policy **B** limit - \$125,000 paid under Policy **A** = \$25,000).

The most we will pay for this loss is \$150,000.

Example Number 3

The Insured sustained a covered loss of \$2,000,000 resulting directly from an "occurrence" taking place during the terms of Policies **A**, **B**, **C** and **D**.

Policy A

The current policy. Written at a Limit of Insurance of \$1,000,000 and a Deductible Amount of \$100,000.

Policy B

Issued prior to Policy **A**. Written at a Limit of Insurance of \$750,000 and a Deductible Amount of \$75,000.

Policy C

Issued prior to Policy **B**. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

Policy D

Issued prior to Policy **C**. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

Settlement Of Loss

The amount of loss sustained under Policy **A** is \$350,000; under Policy **B**, \$250,000; under Policy **C**, \$600,000; and under Policy **D**, \$800,000.

The highest single Limit of Insurance applicable to this entire loss is \$1,000,000 written under Policy **A**. The Policy **A** Deductible Amount of \$100,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy **A** (\$350,000) is settled first. The amount we will pay is \$250,000 (i.e., \$350,000 loss - \$100,000 deductible = \$250,000).
- (b) The amount of loss sustained under Policy **B** (\$250,000) is settled next. The amount we will pay is \$250,000 (no deductible is applied).
- (c) The amount of loss sustained under Policy **C** (\$600,000) is settled next. The amount we will pay is \$500,000, the policy limit (no deductible is applied).
- (d) We will not make any further payment under Policy **D**, as the maximum amount payable under the highest single Limit of Insurance applying to the loss of \$1,000,000 under Policy **A** has been satisfied.

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

k. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate

- (1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the policy period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this insurance, provided:
 - (a) This insurance became effective at the time of cancellation of the prior insurance; and
 - (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".
- (2) In settling loss subject to this condition:
 - (a) The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior cancelled insurance.
 - (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the cancelled insurance.
- (3) The insurance provided under this condition is subject to the following:
 - (a) If loss covered under this condition is also partially covered under Condition **E.1.j.**, the amount recoverable under this condition is part of, not in addition to, the amount recoverable under Condition **E.1.j.**
 - (b) For loss covered under this condition that is not subject to Paragraph **k.(3)(a)**, the amount recoverable under this condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this insurance and is limited to the lesser of the amount recoverable under:
 - (i) This insurance as of its effective date; or
 - (ii) The prior cancelled insurance had it remained in effect.

l. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

(1) Primary Insurance

When this insurance is written as primary insurance, and:

- (a) You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit Of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.
- (b) You have other insurance covering the same loss other than that described in Paragraph **l.(1)(a)**, we will only pay for the amount of loss that exceeds:
 - (i) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or
 - (ii) The Deductible Amount shown in the Declarations;whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

(2) Excess Insurance

- (a) When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.
- (b) However, if loss covered under this insurance is subject to a deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

m. Ownership Of Property; Interests Covered

The property covered under this insurance is limited to property:

- (1) That you own or lease;

- (2) That is held by you in any capacity; or
- (3) For which you are legally liable, provided you were liable for the property prior to the time the loss was sustained.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

n. Records

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

o. Recoveries

- (1) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or by you, shall be applied net of the expense of such recovery:
 - (a) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;
 - (b) Second, to us in satisfaction of amounts paid in settlement of your claim;
 - (c) Third, to you in satisfaction of any Deductible Amount; and
 - (d) Fourth, to you in satisfaction of any loss not covered under this insurance.
- (2) Recoveries do not include any recovery:
 - (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (b) Of original "securities" after duplicates of them have been issued.

p. Territory

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions) and Puerto Rico.

q. Transfer Of Your Rights Of Recovery Against Others To Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

r. Valuation – Settlement

The value of any loss for purposes of coverage under this Policy shall be determined as follows:

(1) Money

Loss of "money" but only up to and including its face value.

(2) Securities

Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

- (a) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (i) Market value of the "securities" at the close of business on the day the loss was "discovered"; or
 - (ii) Limit of Insurance applicable to the "securities".

(3) Property Other Than Money And Securities

- (a) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
 - (i) The Limit of Insurance applicable to the lost or damaged property;
 - (ii) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
 - (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

(b) We will not pay on a replacement cost basis for any loss or damage to property covered under Paragraph **r.(3)(a)**:

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

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

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

(c) Any property that we pay for or replace becomes our property.

2. Conditions Applicable To Insuring Agreements A.1. And A.2.

a. Indemnification

We will indemnify any of your officials who are required by law to give individual bonds for the faithful performance of their duties against loss through "theft" committed by "employees" who serve under them, subject to the applicable Limit of Insurance.

b. Termination As To Any Employee

These Insuring Agreements terminate as to any "employee":

(1) As soon as:

(a) You; or

(b) Any of your officials or employees authorized to manage, govern or control your "employees" not in collusion with the "employee";

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you; or

(2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

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

c. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in Territory Condition **E.1.p.** for a period of not more than 90 consecutive days.

3. Conditions Applicable To Insuring Agreement A.3.

a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement **A.3.**

b. Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c. Proof Of Loss

You must include with your proof of loss any instrument involved in that loss or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.p.** does not apply to Insuring Agreement **A.3.**

4. Conditions Applicable To Insuring Agreements A.5. And A.6.

a. Armored Motor Vehicle Companies

Under Insuring Agreement **A.6.**, we will only pay for the amount of loss you cannot recover:

(1) Under your contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

b. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

5. Conditions Applicable To Insuring Agreement A.7.

a. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

b. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.p.** does not apply to Insuring Agreement **A.7.**

F. Definitions

1. "Computer program" means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enable the computer or devices to receive, process, store or send "electronic data".
2. "Computer system" means:
 - a. Computers, including Personal Digital Assistants (PDAs) and other transportable or handheld devices, electronic storage devices and related peripheral components;
 - b. Systems and applications software; and
 - c. Related communications networks; by which "electronic data" is collected, transmitted, processed, stored or retrieved.
3. "Counterfeit money" means an imitation of "money" which is intended to deceive and to be taken as genuine.
4. "Custodian" means you or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
5. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance.
6. "Electronic data" means information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

7. "Employee":

a. Means:

- (1) Any natural person:
 - (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";
 - (b) Whom you compensate directly by salary, wages or commissions; and
 - (c) Whom you have the right to direct and control while performing services for you;
- (2) Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent "employee", as defined in Paragraph **7.a.(1)**, who is on leave; or
 - (b) To meet seasonal or short-term workload conditions; while that person is subject to your direction and control and performing services for you;
- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in Paragraph **7.a.(2)**;
- (4) Any natural person who is:
 - (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan(s); or
 - (b) Your official while that person is engaged in handling "money", "securities" or "other property" of any employee benefit plan;
- (5) Any natural person who is a former official, "employee" or trustee retained by you as a consultant while performing services for you; and
- (6) Any natural person who is a guest student or intern pursuing studies or duties.

b. Does not mean:

Any agent, independent contractor or representative of the same general character not specified in Paragraph **7.a.**

8. "Financial institution" means:
 - a. With regard to Insuring Agreement **A.4.:**
 - (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution; or
 - (2) An insurance company.
 - b. With regard to Insuring Agreement **A.7.:**
 - (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;
 - (2) An insurance company; or
 - (3) A stock brokerage firm or investment company.
 - c. Other than Insuring Agreements **A.4.** and **A.7.**, any financial institution.
9. "Financial institution premises" means the interior of that portion of any building occupied by a "financial institution" as defined in Paragraph **F.8.a.**
10. "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.
11. "Fraudulent instruction" means:
 - a. With regard to Insuring Agreement **A.7.a.(2):**
 - (1) A computer, telefacsimile, telephone or other electronic instruction directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", which instruction purports to have been issued by you, but which in fact was fraudulently issued by someone else without your knowledge or consent; or
 - (2) A written instruction (other than those covered under Insuring Agreement **A.3.**) issued to a "financial institution" directing the "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", through an electronic funds transfer system at specified times or under specified conditions, which instruction purports to have been issued by you, but which in fact was issued, forged or altered by someone else without your knowledge or consent.
 - b. With regard to Insuring Agreement **A.7.b.:**

A computer, telefacsimile, telephone or other electronic, written or voice instruction directing an "employee" to enter or change "electronic data" or "computer programs" within a "computer system" covered under the Insuring Agreement, which instruction in fact was fraudulently issued by your computer software contractor.
12. "Messenger" means you or any "employee" while having care and custody of property outside the "premises".
13. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value;
 - b. Traveler's checks and money orders held for sale to the public; and
 - c. In addition, includes:
 - (1) Under Insuring Agreements **A.1.**, **A.2.** and **A.3.**, deposits in your account at any "financial institution"; and
 - (2) Under Insuring Agreement **A.7.**, deposits in your account at a "financial institution" as defined in Paragraph **F.8.b.**
14. "Occurrence" means:
 - a. Under Insuring Agreement **A.1.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.j.** or **E.1.k.**
 - b. Under Insuring Agreement **A.2.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by each "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.j.** or **E.1.k.**
 - c. Under Insuring Agreement **A.3.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.j.** or **E.1.k.**

d. Under all other Insuring Agreements:

- (1)** An individual act or event;
- (2)** The combined total of all separate acts or events whether or not related; or
- (3)** A series of acts or events whether or not related;

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.j.** or **E.1.k.**

- 15.** "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include "computer programs", "electronic data" or any property specifically excluded under this insurance.
- 16.** "Premises" means the interior of that portion of any building you occupy in conducting your business.
- 17.** "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
 - a.** Caused or threatened to cause that person bodily harm; or
 - b.** Committed an obviously unlawful act witnessed by that person.
- 18.** "Safe burglary" means the unlawful taking of:
 - a.** Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or

b. A safe or vault from inside the "premises".

- 19.** "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
 - a.** Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b.** Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;but does not include "money".
- 20.** "Theft" means the unlawful taking of property to the deprivation of the Insured.
- 21.** "Transfer account" means an account maintained by you at a "financial institution" from which you can initiate the transfer, payment or delivery of "money" or "securities":
 - a.** By means of computer, telefacsimile, telephone or other electronic instructions; or
 - b.** By means of written instructions (other than those covered under Insuring Agreement **A.3.**) establishing the conditions under which such transfers are to be initiated by such "financial institutions" through an electronic funds transfer system.
- 22.** "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NONBINDING ARBITRATION

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM
KIDNAP/RANSOM AND EXTORTION POLICY

If you and we disagree on the amount of loss, then either party may make a written demand for arbitration.

When this demand is made, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either party may request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county or parish in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. Any decision agreed to by the arbitrators may be appealed to a court of competent jurisdiction.

POLICY NUMBER:

CRIME AND FIDELITY
CR 25 12 10 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE TREASURERS OR TAX COLLECTORS AS EMPLOYEES

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

SCHEDULE

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

1. The definition of "employee" is amended to include your treasurers or tax collectors shown in the Schedule.
2. Exclusion **D.2.d. Treasurers Or Tax Collectors** is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE STUDENTS AS EMPLOYEES

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

and applies to the Employee Theft Insuring Agreement:

1. The definition of "employee" is amended to include any student enrolled in a school under your jurisdiction while the student is handling or has possession of property or funds in connection with sanctioned student activities.
2. Exclusion **D.2.d. Treasurers Or Tax Collectors** is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADD FAITHFUL PERFORMANCE OF DUTY COVERAGE FOR GOVERNMENT EMPLOYEES

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

and applies to the Insuring Agreements designated below:

SCHEDULE

Insuring Agreement		Limit Of Insurance
☒	Employee Theft – Per Loss Coverage	\$ 500000
☐	Employee Theft – Per Employee Coverage	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

- A.** The following is added to the Employee Theft Insuring Agreement designated above:

We will pay for loss or damage to "money", "securities" and "other property" resulting directly from the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property. The most we will pay for loss arising out of any one "occurrence" is the Limit Of Insurance shown in the Schedule. That Limit is part of, not in addition to, the Limit Of Insurance shown in the Declarations.

- B.** The following exclusions are added to Section **D.2. Exclusions:**

- a.** Loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.
- b.** Damages for which you are legally liable as a result of:
 - (1)** The deprivation or violation of the civil rights of any person by an "employee"; or
 - (2)** The tortious conduct of an "employee", except the conversion of property of other parties held by you in any capacity.

- C.** The **Indemnification** Condition is replaced by the following:

Indemnification

We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their duties against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property.

- D.** Paragraph **(1)** of the **Termination As To Any Employee** Condition is replaced by the following:

- (1)** As soon as:

- (a)** You; or
- (b)** Any official or employee authorized to manage, govern or control your "employees" not in collusion with the "employee";

learns of any act committed by the "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of the Employee Theft Insuring Agreement, as amended by this endorsement; or

- E. The coverage provided by this endorsement does not apply to any employee benefit plan covered under the Employee Theft Insuring Agreement shown in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PROVIDE EMPLOYEE THEFT COVERAGE EXCESS
OVER A STATUTORY BOND REQUIREMENT**

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

and applies to the Employee Theft Insuring Agreement:

1. We will pay for loss caused by any "employee" required by law to be individually bonded which is in excess of the amount of such individual bond requirement, whether or not such individual bond is in force or is valid and collectible.
Exclusion **D.2.a. Bonded Employee** is deleted.
2. We will pay for loss caused by a treasurer or tax collector which is in excess of the amount of any individual bond requirement, whether or not such individual bond is in force or valid and collectible.
Exclusion **D.2.d. Treasurers Or Tax Collectors** is deleted.

POLICY NUMBER: 5175035

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES/EXTENSION SCHEDULE

Policy Change

This Endorsement forms a part of the policy numbered below:

Number _____

Policy Number 5175035		Policy Effective 08-01-2021	Changes		Company Republic Franklin Ins. Co.	
Term 1 Yrs.	From 08-01-2021	To 08-01-2022	☐ Subject to Audit		☐ Not Subject to Audit	
Named Insured and Mailing Address FREEHOLD REGIONAL BOARD OF EDUCATION 11 PINE ST, ENGLISHTOWN, NJ, 07726			Producer Usi Ins Services LLC			
			Producer No. GAU0114			

IT IS AGREED THAT for any box in Part A marked X, the policy is amended as stated in Part B.

P A R T A.	☐ NAME OF INSURED	☐ DELETING ENDORSEMENT(S)	☐ AMENDING PREMIUM
	☐ ADDRESS OF INSURED INSURANCE	☐ ADDING A CLASSIFICATION	☐ REVISE SCHEDULE OF UNDERLYING
	☐ ADDING LOCATION	☐ DELETING A CLASSIFICATION	☐ AMENDING RATES
	☐ DELETING LOCATION	☐ CHANGING A CLASSIFICATION	☐ AMENDING MINIMUM PREMIUM
	☐ CHANGING LOCATION	☐ ADDING/DELETING LOSS PAYEE	☐ AMENDING LIMIT(S) OF LIABILITY
	☐ CHANGING POLICY PERIOD	☐ ADDING/DELETING MORTGAGEE	☐ ADDING INSURED
	☐ ADDING ENDORSEMENT(S)	☐ AMENDING PREMIUM BASIS/PROTECTION CLASS	
	P A R T B.	CR2513	
INCLUDE STUDENTS AS EMPLOYEES			
This endorsement modifies insurance provided under the following:			
GOVERNMENT CRIME COVERAGE FORM GOVERNMENT CRIME POLICY GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY			
and applies to the Employee Theft Insuring Agreement:			
1. The definition of "employee" is amended to include any student enrolled in a school under your jurisdiction while the student is handling or has possession of property or funds in connection with sanctioned student activities.			
2. Exclusion D.2 . Treasurers Or Tax Collectors is deleted.			

PREMIUM ADJUSTMENT				
Previous	Increase	Decrease	New	PREMIUM Due at Policy Change Effective Date ☒ Additional ☐ Return \$0
Total Policy Premium			Total Policy Premium	
\$	\$	\$	\$	
Total Installment Premium			Total Installment Premium	
\$	\$	\$	\$	

Authorized Representative Signature

TERMINAL ACCESS CARD COVERAGE FORM

A. COVERAGE

We will pay for loss of Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property:** Your products or products of others, charged to you, which you are liable for.
2. **Covered Cause of Loss:** Unauthorized use of a "terminal access card" that is lost or stolen. Covered also applied to use of such card by you or others to whom the card is entrusted, if such use is because the authorized person was subjected to or threatened with bodily harm.

B. LIMIT OF INSURANCE

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

C. ADDITIONAL EXCLUSIONS, CONDITION AND DEFINITIONS:

In addition to the provisions in the Crime General Provisions form, this Coverage Form is subject to the following:

1. **Additional Exclusions:** We will not pay for loss as specified below:
 - a. **Acts of Employees, Directors, Trustees or Representatives:** Loss resulting from any dishonest or criminal act committed by any of your "employees," directors, trustees or authorized representatives:

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

- b. **Voluntary Parting of Title to or Possession of Property:** Loss resulting from your, or anyone acting on your express or implied authority being induced by any dishonest act to voluntarily part with title to or possession of any property.

2. Additional Condition

Duties in the Event of Loss: If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law, you must notify the police.

3. Additional Definitions

- a. **"Occurrence"** means an:
 - (1) act or series of related acts involving one or more persons; or
 - (2) act or event, or a series of related acts or events not involving any person.
- b. **"Terminal access card"** means an imprinted card, key or other device for the use of authorized persons to permit access for the purpose of activating a fuel pump which is otherwise locked.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
GOVERNMENT CRIME POLICY
KIDNAP/RANSOM AND EXTORTION POLICY

- A.** Pursuant to New Jersey law, this policy cannot be cancelled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the insured. The underwriting reasons or guidelines that an insurer can use to cancel or nonrenew this policy are maintained by the insurer in writing and will be furnished to the insured and/or the insured's lawful representative upon written request.

This provision shall not apply to any policy which has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

- B.** Paragraph (2) of the **Cancellation Of Policy** Condition is replaced by the following:

- (2) If this policy has been in effect for less than 60 days, we may cancel this policy for any reason subject to the following:

- (a) We may cancel this policy by mailing or delivering to the first Named Insured and any person entitled to notice under this policy written notice of cancellation, at least:

- (i) 10 days before the effective date of cancellation if we cancel for:

i. Nonpayment of premium; or

- ii. Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f) as follows:

"The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a 'moral hazard'; and

"The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability for which an insurer will be held responsible. Any change in the character or circumstances of an individual, corporate, partnership or other insured that will increase the probability of such a loss or liability may be considered a 'moral hazard'".

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

- (b) In the notice of cancellation which is sent to the first Named Insured, we will state the reason for cancellation.

- C.** The following is added to the **Cancellation Of Policy** Condition:

(7) Cancellation Of Policies In Effect For 60 Days Or More

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

(i) Nonpayment of premium;

- (ii) Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f);

- (iii) Material misrepresentation or nondisclosure to us of a material fact at the time of acceptance of the risk;

- (iv) Increased hazard or material change in the risk assumed which we could not have reasonably contemplated at the time of assumption of the risk;

- (v) Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;

- (vi) Lack of cooperation from the insured on loss control matters materially affecting insurability of the risk;
 - (vii) Fraudulent acts against us by the insured or its representative that materially affect the nature of the risk insured;
 - (viii) Loss of or reduction in available insurance capacity;
 - (ix) Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal;
 - (x) Loss of or substantial changes in applicable reinsurance;
 - (xi) Failure by the insured to provide reasonable and necessary underwriting information to us upon written request therefor and a reasonable opportunity to respond;
 - (xii) Agency termination, provided:
 - i. We document that replacement coverage at comparable rates and terms has been provided to the first Named Insured, and we have informed the first Named Insured, in writing, of the right to continue coverage with us; or
 - ii. We have informed the first Named Insured, in writing, of the right to continue coverage with us and the first Named Insured has agreed, in writing, to the cancellation or nonrenewal based on the termination of the first Named Insured's appointed agent.
 - (xiii) Any other reasons in accordance with our underwriting guidelines for cancellation of commercial lines coverage.
- (b) If we cancel this policy based on Paragraph (7)(a)(i) or (ii), we will mail or deliver a written notice, to the first Named Insured and any person entitled to notice under this policy, at least 10 days before the effective date of cancellation. If we cancel this policy for any other reason listed above, we will mail or deliver a written notice to the first Named Insured and any person entitled to notice under this policy, not more than 120 days nor less than 30 days before the effective date of such cancellation.
- (c) In the notice of cancellation which is sent to the first Named Insured, we will state the reason for cancellation. For cancellation due to the nonpayment of premium, the notice will state the effect of nonpayment by the due date. Cancellation for nonpayment of premium will not be effective if payment of the amount due is made before the effective date set forth in the notice.
- (d) Notice will be sent to the last mailing addresses known to us, by:
- (i) Certified mail; or
 - (ii) First class mail, if we have obtained from the post office a date stamped proof of mailing showing names and addresses.
- (e) We need not send notice of cancellation if you have:
- (i) Replaced coverage elsewhere; or
 - (ii) Specifically requested termination.
- D. The following is added and supersedes any other provision to the contrary:
- NONRENEWAL**
1. We may elect not to renew this policy for any reason permitted to cancel it. If we elect not to renew this policy, we will mail a notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured at least 30 days but not more than 120 days before the expiration date of this policy. If this policy does not have a fixed expiration date, it shall be deemed to expire annually on the anniversary of its inception.
 2. This notice will be sent to the first Named Insured at the last mailing address known to us by:
 - a. Certified mail; or
 - b. First class mail, if we have obtained from the post office a date stamped proof of mailing showing the first Named Insured's name and address.
 3. We need not mail or deliver this notice if you have:
 - a. Replaced coverage elsewhere; or
 - b. Specifically requested termination.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGE IN CONTROL OF THE INSURED – NOTICE TO THE COMPANY – NEW JERSEY

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY

1. The following Condition is added to Section **E. Conditions:**

CHANGE IN CONTROL – NOTICE TO US

- a. When you learn of a change in control, you shall give us written notice as soon as possible, but not to exceed 60 days from the date of such change in control.
- b. As used in this Condition, control means the power to determine the management or policy of the Insured or of a controlling holding company by virtue of voting stock ownership. A change in ownership of voting stock which results in direct or indirect ownership by a stockholder or an affiliated group of stockholders of more than 10% of such stock shall be presumed to result in a change of control for the purpose of the required notice.
- c. Failure to give the required notice shall result in cancellation of coverage for any loss involving a transferee, to be effective upon the date of the stock transfer.
- d. A change in ownership which results in direct or indirect ownership by a stockholder or an affiliated group of stockholders of more than 50% of the voting stock of the first Named Insured shall cause this coverage form/policy to be cancelled as set forth in Paragraphs 2., 3. and 4.

2. Under the Commercial Crime Coverage Form, the following Condition is added to Section **E. Conditions:**

CANCELLATION OF COVERAGE

If the first Named Insured is acquired by another entity:

- a. Insuring Agreements 1. and 2. are cancelled immediately upon the effective date of the acquisition.

- b. All other Insuring Agreements (if any) will be cancelled 30 days after we mail or deliver written notice of cancellation to the address of the first Named Insured under this coverage form.

Acquired means a change in control where the power to determine the management or policy of the first Named Insured has changed by virtue of a change of ownership which results in direct or indirect ownership by a stockholder or an affiliated group of stockholders of more than 50% of its voting stock, regardless as to the changes to the core functions of the acquired entity.

3. Under the Commercial Crime Policy, the following is added to Paragraph (2) of the **Cancellation Of Policy** Condition **E.1.b.:**

If the first Named Insured is acquired by another entity:

- a. Insuring Agreements 1. and 2. are cancelled immediately upon the effective date of the acquisition.
- b. All other Insuring Agreements (if any) will be cancelled 30 days after we mail or deliver written notice of cancellation to the address of the first Named Insured under this policy.

Acquired means a change in control where the power to determine the management or policy of the first Named Insured has changed by virtue of a change of ownership which results in direct or indirect ownership by a stockholder or an affiliated group of stockholders of more than 50% of its voting stock, regardless as to the changes to the core functions of the acquired entity.

4. Under the Employee Theft And Forgery Policy, the following is added to Paragraph **(2)** of the **Cancellation Of Policy** Condition **E.1.b.:**

This policy is cancelled immediately upon the effective date of the first Named Insured being acquired by another entity. Acquired means a change in control where the power to determine the management or policy of the first Named Insured has changed by virtue of a change of ownership which results in direct or indirect ownership by a stockholder or an affiliated group of stockholders of more than 50% of its voting stock, regardless as to the changes to the core functions of the acquired entity.

5. Paragraph **(1)** of the **Joint Insured** Condition is replaced by the following:

- (1)** If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this coverage form/policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

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

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A.** Pursuant to New Jersey law, this policy cannot be cancelled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the insured. The underwriting reasons or guidelines that an insurer can use to cancel or nonrenew this policy are maintained by the insurer in writing and will be furnished to the insured and/or the insured's lawful representative upon written request.

This provision shall not apply to any policy which has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

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

- 2.** If this policy has been in effect for less than 60 days, we may cancel this policy for any reason subject to the following:

- a.** We may cancel this policy by mailing or delivering to the first Named Insured and any person entitled to notice under this policy written notice, of cancellation, at least:

- (1)** 10 days before the effective date of cancellation if we cancel for:

- (a)** Nonpayment of premium; or

- (b)** Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f) as follows:

- (i)** "The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a 'moral hazard'; and
- (ii)** "The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability for which an insurer will be held responsible. Any change in the character or circumstances of an individual, corporate, partnership or other insured that will increase the probability of such a loss or liability may be considered a 'moral hazard'".

- (2) 30 days before the effective date of cancellation if we cancel for any other reason.
 - b. In the notice of cancellation which is sent to the first Named Insured, we will state the reason for cancellation.
- C. The following is added to the **Cancellation** Common Policy Condition:
- 7. Cancellation Of Policies In Effect For 60 Days Or More**
- a. If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f);
 - (3) Material misrepresentation or nondisclosure to us of a material fact at the time of acceptance of the risk;
 - (4) Increased hazard or material change in the risk assumed which we could not have reasonably contemplated at the time of assumption of the risk;
 - (5) Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
 - (6) Lack of cooperation from the insured on loss control matters materially affecting insurability of the risk;
 - (7) Fraudulent acts against us by the insured or its representative that materially affect the nature of the risk insured;
 - (8) Loss of or reduction in available insurance capacity;
 - (9) Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal;
 - (10) Loss of or substantial changes in applicable reinsurance;
 - (11) Failure by the insured to comply with any Federal, State or local fire, health, safety or building or construction regulation, law or ordinance with respect to an insured risk which substantially increases any hazard insured against within 60 days of written notification of a violation of any such law, regulation or ordinance;
 - (12) Failure by the insured to provide reasonable and necessary underwriting information to us upon written request therefore and a reasonable opportunity to respond.
 - (13) Agency termination, provided:
 - (a) We document that replacement coverage at comparable rates and terms has been provided to the first Named Insured, and we have informed the first Named Insured, in writing, of the right to continue coverage with us; or
 - (b) We have informed the first Named Insured, in writing, of the right to continue coverage with us and the first Named Insured has agreed, in writing, to the cancellation or nonrenewal based on the termination of the first Named Insured's appointed agent.
 - (14) Any other reasons in accordance with our underwriting guidelines for cancellation of commercial lines coverage.
- b. If we cancel this policy based on Paragraph 7.a.(1) or (2) above, we will mail or deliver a written notice, to the first Named Insured and any person entitled to notice under this policy, at least 10 days before the effective date of cancellation. If we cancel this policy for any other reason listed above, we will mail or deliver a written notice to the first Named Insured and any person entitled to notice under this policy, not more than 120 days nor less than 30 days before the effective date of such cancellation.
- c. In the notice of cancellation which is sent to the first Named Insured, we will state the reason for cancellation. For cancellation due to the nonpayment of premium, the notice will state the effect of nonpayment by the due date. Cancellation for nonpayment of premium will not be effective if payment of the amount due is made before the effective date set forth in the notice.
- d. Notice will be sent to the last mailing addresses known to us, by:
- (1) Certified mail; or
 - (2) First class mail, if we have obtained from the post office a date stamped proof of mailing showing names and addresses.

- e. We need not send notice of cancellation if you have:
 - (1) Replaced coverage elsewhere; or
 - (2) Specifically requested termination.
- D. The following is added and supersedes any other provision to the contrary:

NONRENEWAL

- 1. We may elect not to renew this policy for any reason permitted to cancel it. If we elect not to renew this policy, we will mail a notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured at least 30 days but not more than 120 days before the expiration date of this policy. If this policy does not have a fixed expiration date, it shall be deemed to expire annually on the anniversary of its inception.
- 2. This notice will be sent to the first Named Insured at the last mailing address known to us by:
 - a. Certified mail; or
 - b. First class mail, if we have obtained from the post office a date stamped proof of mailing showing the first Named Insured's name and address.
- 3. We need not mail or deliver this notice if you have:
 - a. Replaced coverage elsewhere; or
 - b. Specifically requested termination.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including micro-processors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

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

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

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

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

SCHEDULE - PART I
Terrorism Premium (Certified Acts) \$ 0 This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies): Any Coverage Part(s) or Form(s) subject to the Terrorism Risk Insurance Act (TRIA) Additional information, if any, concerning the terrorism premium:
SCHEDULE - PART II Federal share of terrorism losses <u>83</u> % Year: 20 <u>17</u> (Refer to Paragraph B. in this endorsement.) Federal share of terrorism losses <u>82</u> % Year: 20 <u>18</u> (Refer to Paragraph B. in this endorsement.) Federal share of terrorism losses <u>81</u> % Year: 20 <u>19</u> (Refer to Paragraph B. in this endorsement.) Federal share of terrorism losses <u>80</u> % Year: 20 <u>20</u> (Refer to Paragraph B. in this endorsement.) Federal share of terrorism losses <u>80</u> % Year: 20 <u>21</u> (Refer to Paragraph B. in this endorsement.) Federal share of terrorism losses <u>80</u> % Year: 20 <u>22</u> (Refer to Paragraph B. in this endorsement.)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

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

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

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

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

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

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The following exclusion and related provisions are added:

1. We will not pay for loss or damage arising out of any act committed:
 - a. By or at the direction of any insured; and
 - b. With the intent to cause a loss.
2. However, this exclusion will not apply to deny payment to a co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of domestic violence.
3. If we pay a claim pursuant to Paragraph **A.2.**, our payment to the insured is limited to that insured's insurable interest in the property. In no event will we pay more than the Limit of Insurance.

To the extent that the Concealment, Misrepresentation Or Fraud Condition conflicts with the provisions of Paragraph **A.2.** above, the provisions of **A.2.** will apply.

B. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

If we pay a co-insured for loss arising out of an act of domestic violence by another insured, the rights of the co-insured, who did not cooperate in or contribute to the creation of the loss, to recover damages from the perpetrator of domestic violence are transferred to us to the extent of our payment. Following the loss, the co-insured who did not cooperate in or contribute to the loss may not waive such rights to recover against the perpetrator of domestic violence.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY CHANGES – CIVIL UNION

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

- A.** The term "spouse" is replaced by the following:
Spouse or party to a civil union recognized under New Jersey law.
- B.** Under the Commercial Auto Coverage Part, the term "family member" is replaced by the following:
"Family member" means a person related to the:
- 1.** Individual Named Insured by blood, adoption, marriage or civil union recognized under New Jersey law, who is a resident of such Named Insured's household, including a ward or foster child; or
 - 2.** Individual named in the Schedule by blood, adoption, marriage or civil union recognized under New Jersey law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individual Endorsement is attached.
- C.** With respect to coverage for the ownership, maintenance, or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:
"Family member" means a person related to you by blood, adoption, marriage or civil union recognized under New Jersey law, who is a resident of your household, including a ward or foster child.

IMPORTANT NOTICE ABOUT YOUR POLICY AND THE FEDERAL TERRORISM REINSURANCE REAUTHORIZATION ACT OF 2019

Insurance coverage for losses resulting from acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended, the term "Act of Terrorism" means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism: to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States Government under a formula established by Federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

You should know that the terrorism risk insurance act, as amended contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurer's liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceeds \$100 billion, your coverage may be reduced.

Please read your policy and especially any endorsements attached to it which provide further information regarding how the law specifically affects your policy. There is no additional premium charged for terrorism coverage under this policy.



Utica National Insurance Group

Insurance that starts with you.®

Utica Mutual Insurance Company and its affiliated companies, New Hartford, NY 13413
www.uticanational.com • 1.800.598.8422

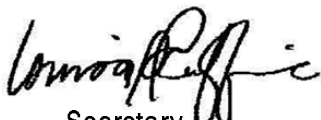
THIS NOTICE WITH THE COVERAGE FORM(S), DECLARATIONS PAGE AND
ENDORSEMENT, IF ANY, COMPLETES YOUR POLICY.

REPUBLIC-FRANKLIN INSURANCE COMPANY

DIVIDEND PROVISION - PARTICIPATING COMPANIES:

The named insured shall be entitled to participate in a distribution of the surplus of the Company, as determined and approved by its Board of Directors from time to time.

IN WITNESS WHEREOF, the Republic-Franklin Insurance Company has caused this policy to be signed by its chief executive officer and secretary at Columbus, Ohio, and countersigned on the declarations page by a duly authorized representative of the company.


Secretary


Chief Executive Officer

NEW JERSEY GUARANTY ASSOCIATION ASSESSMENT FEE

The Declarations Page of your policy may show a surcharge to your policy premium. This surcharge, if shown, is authorized by the New Jersey Department of Insurance to allow recoupment of assessments paid by the company to the New Jersey Property-Liability Insurance Guaranty Association.

Please contact your independent agent if you have any questions



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New Jersey Earthquake Insurance Availability Notice

All insureds and applicants are cautioned that homeowners and commercial fire and extended coverage insurance policies do not provide coverage for earthquake damage.

The definition of an *earthquake*:

- is shaking or trembling of the earth that is geologic or tectonic in nature;
- includes shock waves or tremors before, during or after a volcanic eruption; and
- can also include aftershocks that occur within a seventy-two hour period following an *earthquake*.

A typical homeowners or commercial fire and extended coverage insurance policy:

- **does not** cover the cost to replace or repair your damaged dwelling, premises or structure, such as garages, resulting from an *earthquake*;
- **does not** cover the cost to replace or repair the contents of your home or business if the damages result from an *earthquake*; and
- **does not** pay for any additional living or business expenses if your property is badly damaged or destroyed by an *earthquake*.

***Earthquake* insurance is available through an endorsement to your policy for an additional premium. The decision to purchase earthquake insurance is one that should be carefully considered based on individual circumstances.**

Historically, an earthquake in New Jersey is a rare event, although the possibility exists that it could happen. Over the five-year period from 2010 to 2015, for every \$1 of earthquake insurance premium, 1/10 of one cent has been paid out for losses.

Please contact your agent or the Utica National Insurance Group at 1-800-274-1914 if you have any questions or want additional information on how you can obtain *earthquake* insurance.

This notice is a general description of coverage and does not change, modify or invalidate any of the provisions, terms or conditions of your policy or endorsements.



CLAIMS-MADE DISCLOSURE NOTICE ADDENDUM

THIS DISCLOSURE NOTICE IS BEING PROVIDED TO HIGHLIGHT CERTAIN IMPORTANT FEATURES OF YOUR POLICY. THIS NOTICE PROVIDES NO COVERAGE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. FOR COMPLETE INFORMATION ON YOUR COVERAGES, READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

1. The Cyber Suite Coverage Form is written on a claims-made basis. The policy only covers claims made against you during the policy period or any Extended Reporting Period.
2. No coverage is provided for claims arising out of any personal data compromise, computer attack, network security incident, electronic media incident, identity theft, or wrongful acts which took place prior to the Coverage Term.
3. All coverage under the policy ceases upon the termination of this policy, except for the Automatic Extended Reporting Period Coverage, unless you purchase Optional Extended Reporting Period Coverage.
4. Automatic Extended Reporting Period Coverage.

In the event of any termination of coverage, we will provide an Automatic Extended Reporting Period for Data Compromise Liability, Network Security Liability and Electronic Media Liability. This period starts upon termination of coverage and lasts for thirty (30) days. Any claim first made during the Automatic Extended Reporting Period will be considered made during the policy period.

5. Optional Extended Reporting Period Coverage.

In the event of any termination of coverage, an Optional Extended Reporting Period of one (1) year's duration is available for Data Compromise Liability, Network Security Liability and Electronic Media Liability, but only by an endorsement and for an extra premium charge. The Optional Extended Reporting Period starts when the Automatic Extended Reporting Period described in Paragraph 4. above ends. Any claim first made during the Optional Extended Reporting Period will be considered made during the policy period.

6. Upon termination of coverage it is very important that you consult with your insurance agent or broker or other insurance advisor. Potential coverage gaps may arise upon the expiration of the Automatic or Optional Extended Reporting Period.
7. During the first several years of claims-made coverage, premiums will be comparatively lower than occurrence coverage premiums. As such, you can expect substantial annual premium increases in subsequent years, independent of overall rate level increases, until the claims-made coverage reaches maturity.

Please consult with your agent or broker if you have any questions.



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