



Acuity, A Mutual Insurance Company

November 5, 2024

WYNSTONE TOWNHOMES ASSN  
13780 FENWICK CIR  
EDEN PRAIRIE MN 55346

Policy Number: ZL1040

Dear Policyholder:

This renewal policy continues your business coverage under the Acuity Commercial Package Policy Program. By choosing Acuity, you have selected a commercial insurer committed to quality. Our commitment to you includes state-of-the-industry coverages plus policy, claims and loss control services that meet the highest standards. We value our continuing association as a provider of vital insurance protection for your business operations.

### **Your Independent Agent**

This policy is sold and serviced by an independent insurance agent. Because independent agents can provide insurance coverage through more than one company, you can be confident that you have made a wise selection. Your agent stands ready to serve your needs and answer your questions with regard to this policy.

### **Terrorism Information**

Please refer to the Policyholder Disclosure Notice of Terrorism Insurance Coverage and any applicable Terrorism Premium Information page(s) following this letter for information regarding the Terrorism Risk Insurance Act.

Your policy has been issued with coverage for losses resulting from terrorist acts as defined in the Act. Endorsements have been attached to your policy for the lines of business that qualify for coverage under the Act and a premium charge has been applied. Refer to your Declarations for the exact premium charge associated with each endorsement. You have the right to reject this coverage by signing the attached rejection form. If you do, a premium charge may apply. Coverage cannot be rejected under workers' compensation insurance if included in this policy.

The Terrorism Risk Insurance Program is scheduled to terminate on December 31, 2027. Please refer to the Potential Change in Terrorism Coverage During the Term of Your Policy notice for details regarding changes in your coverage for acts of terrorism if the Program is not extended by the federal government.

## **Risk Management Program**

Workers' compensation safety consultation services are available to you upon request. To obtain these services, either mail a written request to Acuity, 2800 South Taylor Drive, PO Box 58, Sheboygan, WI 53082-0058, or call 920.458.9131.

## **Insurance Guaranty Association Surcharge**

Companies writing property and casualty insurance business in Minnesota are required to participate in the Minnesota Insurance Guaranty Association. If a company fails, the Guaranty Association settles unpaid claims and assesses each insurance company for its fair share.

Minnesota law requires all companies to surcharge policies to recover these assessments. If your policy is surcharged, the Declarations will indicate the amount of the surcharge and the proper endorsement will be attached to your policy. The premium applicable to this endorsement is the amount of the surcharge for the coverage part.

## **Workers' Compensation Dividend**

You are not eligible for a Workers' Compensation dividend at this time.

## **For More Information**

Please contact your agent if you have any questions or desire any changes in your policy. Your agent can also help determine if your coverage adequately meets your insurance needs.

Thank you for insuring with Acuity.

Acuity

Represented by

NORTH RISK PARTNERS LLC  
2010 CENTRE POINTE BLVD  
SAINT PAUL MN 55164  
651.379.7800

REJECTION OF COVERAGE FOR TERRORIST ACTS AS DEFINED IN THE  
TERRORISM RISK INSURANCE ACT

You may reject coverage for terrorist acts as defined in the Terrorism Risk Insurance Act, where permitted. You may do this by signing this rejection form and submitting it using one of the following methods:

**Mail: Acuity  
PO Box 58  
Sheboygan, WI 53082-0058**

**Email: [clservice@acuity.com](mailto:clservice@acuity.com)**

**Fax: 920.458.1618**

If you choose to reject this coverage, you will not be able to add the coverage back to your policy until your next renewal.

I have read the Policyholder Disclosure Notice of Terrorism Insurance Coverage and the Terrorism Premium Information page(s) and hereby reject coverage for terrorist acts as defined in the Terrorism Risk Insurance Act. I understand that coverage for terrorist acts as defined in the Act will be excluded under my policy.

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First Named Insured's Signature

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Date

A rejection form received within 30 days of the date shown on the bottom right corner will be valid as of the Policy Effective Date shown above. A rejection form received after 30 days of the date shown will be valid on the date we receive the form. This rejection will apply until the expiration date of the policy term that begins on the Policy Effective Date shown above.

## **Policyholder Disclosure Notice of Terrorism Insurance Coverage**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; 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. THE PREMIUM CHARGED FOR THIS COVERAGE DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS UNITED STATES GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

The attached policy includes coverage for terrorism as described in the Act. The premium charge for this coverage is based on the premiums for each coverage part included in your policy that qualifies for coverage under the Act and the location of any property covered under the policy. The attached Terrorism Premium Information sheet provides complete information for developing this premium.

**Potential Change in Terrorism Coverage During the Term of Your Policy**  
**(Applicable to Coverage Other Than Workers' Compensation**  
**and Employers' Liability Insurance)**

The Terrorism Risk Insurance Act established the Terrorism Risk Insurance Program. The Program is scheduled to terminate at the end of December 31, 2027, unless extended by the federal government. If the federal Program terminates before or during the term of your policy, the treatment of terrorism under your policy will change. An endorsement, Conditional Exclusion of Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act), has been attached to your policy. The provisions of this endorsement will become applicable to your policy if the Program terminates as scheduled. Under this endorsement coverage for injury or damage arising out of a terrorism incident is excluded if:

The total of all insured damage to all types of property and business interruption losses from the incident, exceeds \$25 million.

For certain coverage, fifty or more persons sustain death or serious physical injury.

The terrorism event involves nuclear materials or results in nuclear reaction or radiation or radioactive contamination.

The terrorism event involves the release of radioactive material, and it appears that one purpose of the terrorism was to release such material.

The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials.

The terrorism event involves the release of pathogenic or poisonous biological or chemical materials and it appears that one purpose of the terrorism was to release such materials.

We will refund the premium charged for terrorism coverage if you have or will be accepting coverage for terrorism as defined in the Act and the Program is terminated. If your policy is effective prior to December 31, 2027, you will be refunded the premium charged from January 1, 2028, until the end of your policy term. If your policy is effective on or after January 1, 2028, you will be refunded the entire premium charged.

If the Program is extended without change, the coverage under your policy and any premium charge will not change.

**Potential Change in Terrorism Coverage During the Term of Your Policy**  
**(Applicable to Workers' Compensation and Employers' Liability Insurance)**

The Terrorism Risk Insurance Act established the Terrorism Risk Insurance Program. The Program is scheduled to terminate at the end of December 31, 2027, unless extended by the federal government. If the federal Program terminates before or during the term of your policy, the treatment of terrorism under your policy will not change. The premium charge for coverage your policy provides for terrorism or war losses may continue or change if the federal Program terminates.



The premium for terrorism coverage, as defined in Section 102(1) of the Act, is based on the premiums for each coverage part included in your policy that qualifies for coverage under the Terrorism Risk Insurance Act and the location of any property covered under the policy. Refer to the attached Policyholder Disclosure Notice of Terrorism Insurance Coverage for a description of applicable provisions in the Act.

If your Acuity policy contains the following coverage part:	The premium charge for terrorism insurance if you <b>accept</b> coverage under the Act is:
Σ Bis-Pak® - Property Portion of Your Premium	Σ 4.5% of the property premium applying in Hennepin and Ramsey Counties Σ 3.75% of the property premium applying in a county with a Nuclear Power Plant Σ 3% of the property premium for all other locations
Σ Bis-Pak® - Liability Portion of Your Premium	Σ 1% of the liability premium applying to your policy
Σ Commercial Property and Commercial Inland Marine Coverage Parts	Σ 4.5% of the premium applying in Hennepin and Ramsey Counties Σ 3.75% of the premium applying in a county with a Nuclear Power Plant Σ 3% of the premium for all other locations
Σ Commercial General Liability and Commercial Excess Liability Coverage Parts	Σ 1% of the premium applying to each of the coverage parts
Σ Workers' Compensation *	Σ The premium charge is \$.02 for each \$100 of payroll for all classes.

\* Workers' Compensation coverage automatically applies to loss caused by terrorism. You are **not** permitted to reject this coverage.

**Counties with Nuclear Power Plants** are Wright County and Goodhue County.



## CUSTOMER PRIVACY POLICY

At Acuity Insurance, we gather information about our policyholders only in the interest of providing them with quality services at fair prices. We are committed to the careful handling of personal nonpublic information. We collect and use information for business purposes with respect to our insurance products and related business activities involving our customers. These business activities include evaluating a request for our insurance products and related services such as claims processing or processing other transactions requested by you.

Federal law has established privacy standards and requires us to provide this summary of our privacy policy once a year. Further, state laws typically require us to provide you notice of our information practices. The following information will provide you with a better understanding of the type of information we collect, how we use it and to whom we may disclose it.

### HOW DO WE COLLECT INFORMATION

Your application is our major source of information. However, we may occasionally collect personal or privileged information about you and other persons proposed for coverage from third parties such as other insurance companies, physicians, hospitals and other medical personnel, insurance-support organizations or consumer reporting agencies. For example, we may collect information such as loss information reports, motor vehicle reports and credit reports. We may ask such an insurance support organization to view your property. They would report to us the value and condition of your property and send a photograph of it. Occasionally, we may order a consumer credit report showing your history of meeting financial obligations. Information from a report prepared by an insurance-support organization may be retained by them and disclosed to other persons to the extent permitted by law. We will not collect information about persons other than individuals proposed for coverage.

### DISCLOSURE OF INFORMATION

The privacy of the information that you provide us with or that we collect about you is important to us. **It is our policy not to disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.** For example, we may disclose information to others such as your name, address, social security number, email address, phone number, policy coverages or other identifying policy or claims information to:

- Σ Third parties that perform marketing services on our behalf or with whom we have joint marketing agreements such as your independent insurance agent;
- Σ Third parties who help us evaluate requests for insurance or benefits or to prevent fraud such as consumer reporting agencies;
- Σ Third parties that require us to submit information to them, such as regulatory, law enforcement, or other government agencies.

We also reserve the right to make other necessary disclosures about current or former customers without prior authorization, so long as these disclosures are not typically conducted in our usual course of business, and only as permitted by law.

Now what does this really mean? It means our information about you is used only in connection with our business relationship with you. We will not, and never have, shared your nonpublic personal information with any third parties for the purpose of marketing their products or services. If this were to ever change, we would have to notify you first and give you the opportunity to prevent that type of

disclosure. That is, we would have to provide you with the option to "opt-out" first.

When we use other parties to help us conduct our business of insurance, such as investigating and paying claims, obtaining motor vehicle reports, confirming values and condition of homes, etc., we expect and often contract with these organizations to maintain the confidentiality of the information provided to them and to abide by all applicable privacy laws that pertain to them. An "opt-out" option is not required in order for us to conduct these usual and necessary insurance business activities.

In addition, our employees are required to protect the confidentiality of your information and access information only when there is an appropriate need to do so. We also maintain the necessary electronic and procedural safeguards to protect your information. Personal information is secured by use of change control procedures, passwords, and physical access controls. We employ a variety of other mechanisms to ensure that your information is not lost, misused, or altered inappropriately. These controls include regular database backups.

## **ACCESS TO AND AMENDMENT OF RECORDED INFORMATION**

You have the right to access any personal information that we have recorded and is reasonably available for retrieval by us. You may submit a written request to us in order to do so. We reserve the right to charge a reasonable fee to cover the costs incurred in providing any summary of recorded personal information, when permitted to do so by law. We will prepare this information within thirty business days from the time your written request is received.

After review, you may ask us in writing to correct, amend, or delete any information about you in our files. Within thirty business days from the time your written request is received, we will either honor or deny your request. If we refuse to make any corrections, amendments, or deletions, you have the right to give us a concise statement of what you believe is the correct information, including the reason why you disagree with the disputed information. We will put your statement in our file so that anyone reviewing your file will see it and furnish it to the appropriate parties as required by law.

## **OUR PROMISE TO YOU**

Your confidence in our company and the manner in which we conduct our business is greatly appreciated. Our promise to you is that we will treat your personal information with utmost confidentiality, use it only to help serve you better and in a manner prescribed by law. If you have questions at any time regarding our privacy policy, you may contact us at the following address:

Acuity, A Mutual Insurance Company  
2800 South Taylor Drive  
P.O. Box 58  
Sheboygan, WI 53082-0058





**MUTUAL POLICY CONDITIONS**

Every person, co-partnership or corporation insured by the company shall be a member of it and shall have one vote. The annual meeting of the members shall be held on the first Tuesday in March at 1:30 P.M. of each year, at the corporate headquarters of the company in Sheboygan, Wisconsin. Notice printed in each policy shall be sufficient as to the time and place of said meeting.

The Named Insured, upon termination of this policy, shall participate in the distribution of dividends, if any are declared, and fixed as determined by the directors in accordance with law

This policy is nonassessable and the liability of the Named Insured to the company is limited to the payment of the premium herein provided.

**Corporate Headquarters Address**

**Acuity  
2800 South Taylor Drive  
PO Box 58  
Sheboygan, Wisconsin 53082-0058  
800.242.7666**

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**COMMERCIAL EXCESS LIABILITY  
COVERAGE PART**

**Renewal Declarations**

First Named Insured and Address:

WYNSTONE TOWNHOMES ASSN  
13780 FENWICK CIR  
EDEN PRAIRIE MN 55346

Agency Name and Number:

NORTH RISK PARTNERS LLC  
8353-CG

Policy Number: ZL1040

Policy Period: Effective Date: 11-15-24

Expiration Date: 11-15-25

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

12:01 A.M. standard time at your mailing address shown in the declarations

**COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART**

Form Number	Form Title	Premium
CU-7008(11-05)	Asbestos Exclusion	
CU-7010(3-03)	Nuclear Energy Liability Exclusion Endorsement	
CU-7031(3-03)	Minnesota Amendatory Endorsement	
CU-7037(5-05)	Commercial Excess Liability Coverage Form	
CU-7054(3-03)	Fungi or Bacteria Exclusion	
CU-7067(3-03)	War Liability Exclusion	
CU-7072(1-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Fed. Act)	
CU-7085(1-15)	Cap on Losses from Certified Acts of Terrorism	\$1.00
CU-7098(11-15)	Revision of Other Insurance Condition For Additional Insureds - Auto Status	\$100.00
CU-7136(8-20)	Exclusion - First Aid and Good Samaritan Services	
CU-7140(10-20)	Cyber Suite Exclusion	
CU-7149(5-23)	Exclusion - Perfluoroalkyl And Polyfluoroalkyl Substances (PFAS)	
IL-7082(12-20)	Disclosure Pursuant to Terrorism Risk Insurance Act	
<b>Advance Endorsement Premium</b>		<b>\$101.00</b>

**PREMIUM SUMMARY**

Advance Premium	\$400.00
Advance Endorsement Premium	\$101.00
<b>Total Advance</b>	<b>\$501.00</b>

**ADDITIONAL NAMED INSUREDS**

WHO IS AN INSURED includes the following Additional Named Insureds:

**ADDITIONAL NAMED INSURED**

NONE

**LIMITS OF INSURANCE**

General Aggregate	\$1,000,000
Products-Completed Operations Aggregate	\$1,000,000
Each Occurrence	\$1,000,000

**PREMIUM COMPUTATION**

Not Subject to Audit	
Estimated Advance Premium	\$400.00

**SCHEDULE OF UNDERLYING INSURANCE - EMPLOYERS' LIABILITY**

Policy Number: CWC-ZL1040-00  
 Name of Insurer: ACUITY, A Mutual Insurance Company  
 Policy Period: 11-15-24 To 11-15-25

**Limits or Amounts of Insurance**

Bodily Injury by Accident (Each Accident)	\$500,000
Bodily Injury by Disease (Policy Limit)	\$500,000
Bodily Injury by Disease (Each Employee)	\$500,000

**SCHEDULE OF UNDERLYING INSURANCE - BIS-PAK**

Policy Number: CB-ZL1040  
 Name of Insurer: ACUITY, A Mutual Insurance Company  
 Policy Period: 11-15-24 To 11-15-25

**Limits or Amounts of Insurance**

Liability and Medical Expenses (Each Occurrence)	\$1,000,000
Products-Completed Operations Aggregate Limit	\$2,000,000
General Aggregate Limit (Other than Products-Completed Operations)	\$2,000,000

Hired and Nonowned Auto Liability is included in above Occurrence Limit.

# COMMERCIAL EXCESS LIABILITY COVERAGE FORM

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## COMMERCIAL EXCESS LIABILITY COVERAGE FORM

This policy contains both a Products-Completed Operations Aggregate Limit and a General Aggregate Limit of Insurance. These are described in Section II - Limit of Insurance.

Other provisions in this policy restrict coverage. Read the entire policy and any *underlying insurance* carefully to determine rights, duties and what is covered and 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 any *underlying insurance*. The words "we," "us" and "our" refer to the Company providing this insurance.

The words "this insurance" mean the liability insurance provided under this policy.

The word "insured" means any person or organization qualifying as such under any *underlying insurance*.

Other words and phrases that appear in italics have special meaning. Refer to Section IV - Definitions of this policy.

### SECTION I - COVERAGES

#### 1. Insuring Agreement

- a. We will pay those sums, in excess of the amount payable under the terms of any *underlying insurance*, that the insured becomes legally obligated to pay as damages because of *injury* or damage to which this insurance applies, provided that the *underlying insurance* also applies, or would apply but for the exhaustion of its applicable Limits of Insurance.

We will also pay those sums that the insured becomes legally obligated to pay as damages because of *injury* or damage to which the insurance provided under the Coverage Extension applies as set forth in paragraph 4 below.

- b. We have the right to participate in the investigation or settlement of claims or the defense of the insured against suits seeking damages because of *injury* or damage to which this insurance may apply. We have a duty to investigate or settle such claims or to defend the insured against such suits when the applicable Limit of Insurance of the *underlying insurance* has been used up by payment of judgments, settlements and any cost or expense subject to such limit.

We will have the right and duty to participate in the investigation and settlement of claims or the defense of the insured against suits seeking damages because of *injury* or damage to which the insurance provided under the Coverage Extension may apply.

This right or duty to defend is limited as set forth in paragraph 3 below.

However, we will have no duty to defend the insured against any suit seeking damages for *injury* or damage to which this insurance does not apply.

- c. The amount we will pay for damages is limited as described in Section II - Limit of Insurance.
- d. This insurance is subject to the same terms,

conditions, agreements, exclusions and definitions as the *underlying insurance*, except:

- (1) We have no obligation under this insurance with respect to any claim or suit that is settled without our consent; and
- (2) With respect to any provisions to the contrary contained in this insurance.

#### 2. Exclusions

The exclusions that apply to the *underlying insurance* apply to this insurance. Also, this insurance does not apply to damages because of:

- a. *Injury* or damage to premises rented to you or temporarily occupied by you with permission of the owner.
- b. Any duty to pay expenses under any medical payments coverage.
- c. Any duty to reimburse an insurer as provided by the terms of the Endorsement For Motor Carrier Policies of Insurance For Public Liability Under Sections 29 and 30 of the Motor Carrier Act of 1980 or under the terms of any similar endorsement required by Federal or state statute.
- d. Any duty payable only because of the attachment of the Endorsement For Motor Carrier Policies of Insurance For Public Liability or any similar endorsement required by Federal or state statute.
- e. Any duty imposed by law under any automobile no-fault, uninsured motorist, underinsured motorist, workers' compensation, disability benefits or unemployment compensation law or any similar law.
- f. Any duty imposed by law under the following:
- (1) Section 130, Civil Liability, of Title I (Truth in Lending Act) of the Consumer Credit Protection Act (Public Law

90-321; 82 Stat. 146 et. seq.);

- (2) Title IV (Odometer Requirements) of the Motor Vehicle Information and Cost Savings Act (Public Law 92-513; 86 Stat. 961); or
  - (3) Employee's Retirement Income Security Act (E.R.I.S.A.) of 1974 as now or hereafter amended.
- g.** *Injury* or damage to personal property in the care, custody or control of the insured.
- This exclusion does not apply to liability assumed under a sidetrack agreement.
- h.** *Injury* or damage sustained by an employee, former employee, prospective employee or their beneficiaries or legal representatives and caused by any negligent act, error or omission of the insured, or any other person for whose acts the insured is legally liable, in the administration of any employee benefit program. Administration includes giving counsel to employees, interpreting, handling of employee records, and effecting enrollment, termination or cancellation of employees.
- i.** Any obligation to pay any claim or claims made against you or any of your officers, directors or trustees, individually or collectively, by reason of a wrongful act in their respective capacities as officers, directors or trustees.

As used in this exclusion, "wrongful act" means any actual or alleged error, misstatement or misleading statement, act or omission, or neglect or breach of duty made or committed by your directors, officers or trustees.

- j.** Any obligation arising out of an act, error or omission of an insured:
- (1) While performing the duties of an insurance agent in your garage operations; or
  - (2) In your garage operations as a result of title paper preparation.

As used in this exclusion:

- (1) "Insurance agent" means a person or organization who is duly licensed as an insurance agent by the regulatory authority of the state in which the insured's principal place of business is located.
- (2) "Garage operations" means the ownership, maintenance or use of locations for garage business and that portion of the roads or other accesses that adjoin these locations. Garage operations includes the ownership, maintenance or use of the autos indicated in Section I of the Garage Coverage Form as covered autos.

Garage operations also includes all operations necessary or incidental to a garage business.

- (3) "Title paper preparation" means the preparation of official title papers for registering an auto sold by you. This includes the designation of a lienholder who holds a financial interest in the auto.
  - (4) "Auto" means a land motor vehicle, trailer or semitrailer.
- k.** Any obligation imposed due to the application of any statute permitting a customer to return an auto sold by an insured, if the auto fails to perform satisfactorily.

As used in this exclusion, "auto" means a land motor vehicle, trailer or semitrailer.

- l.** *Injury* or damage your customer becomes legally obligated to pay which arise out of the use of your covered auto. This exclusion applies only if your business is shown in the Declarations of the *underlying insurance* as an auto dealership.

However, if your customer becomes legally obligated to pay for *injury* or damage which arise out of their use of your covered auto and if there is:

- (1) No other valid and collectible insurance (whether primary, excess or contingent) available to your customer, we will pay up to the compulsory or financial responsibility law limits where the covered auto is principally garaged.
- (2) Other valid and collectible insurance (whether primary, excess or contingent) available to the customer but it is less than the compulsory or financial responsibility law limits where the covered auto is principally garaged, we will pay only for the amount by which the compulsory or financial responsibility law limits exceed the limits of the other insurance.

### **3. Investigation or Settlement of Claims or Defense of Insured Against Suits**

- a.** When we have the duty to defend, we will pay for all *defense expense* once our duty to defend begins. We may investigate any claim or suit.

If we exercise our right to defend when there is no duty, we will pay only that *defense expense* we incur.

If we provide a defense, we may investigate any claim or suit at our discretion. We may settle such claim or suit within the Limit of Insurance available at the time of the settlement.

- b.** Our right or duty to defend ends when we

have used up the Limits of Insurance available in the payment of any judgments or settlements as provided under Section II - Limit of Insurance. This applies both to claims and suits pending at the time and those filed thereafter.

- c. When we control the investigation or settlement of a claim or the defense of the insured against a suit, we will pay for the *defense expense*. If by mutual agreement or court order the insured assumes control before the applicable Limit of Insurance available is used up, we will reimburse the insured for reasonable *defense expense*.
- d. As soon as the Limit of Insurance available is used up, you will then arrange to assume control of the investigation or settlement of all such claims or the defense of you or any other insured against such suits when our right or duty to investigate, settle or defend them ends.
- e. We will assist the insured in the transfer of control of the investigation or settlement of claims or the defense of the insured against suits under c or d above. Until such transfer is completed, we will take on behalf of any insured those steps that we think proper:
  - (1) To avoid a default in any claim or suit;  
or
  - (2) To the continued investigation or

settlement of a claim or defense of the insured against a suit.

You agree that if we take such steps:

- (1) We do not waive or give up any of our rights under this insurance; and
  - (2) You will reimburse us for any *defense expense* that arises out of such steps if the applicable Limit of Insurance available has been used up.
- f. Any payment for *defense expense* will not reduce the Limits of Insurance.

#### 4. Coverage Extension

- a. The terms of this policy are extended as follows:

If *underlying insurance* provides coverage for the use of watercraft you do not own, in addition to watercraft ashore on premises you own or rent, the coverage provided by this policy is extended to cover any watercraft you do not own that is:

- (1) Less than 75 feet long; and
- (2) Not being used to carry persons or property for a charge;

even if these nonowned watercraft are not insured in the *underlying insurance*.

- b. We will only pay for damages up to the limits of insurance.

## SECTION II - LIMIT OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below define the most we will pay under the terms of this insurance regardless of the number of:
  - a. Insureds;
  - b. Claims made or suits brought;
  - c. Persons or organizations making claims or bringing suits.
- 2. The General Aggregate Limit is the most we will pay for all damages under Section I - Coverages, other than damages arising out of:
  - a. The *products-completed operations hazard*;  
or
  - b. The ownership, operation, maintenance, use, loading or unloading, or entrustment to others, of an auto.

The General Aggregate Limit applies separately to:

- a. Each location owned by or rented to you. A location is a premises involving the same or connecting lots, or a premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad; and

- b. Each of your projects away from a location owned by or rented to you.

Each payment we make for such damages reduces by the amount of the payment, the General Aggregate Limit. This reduced limit will then be the Limit of Insurance available for further damages of these kinds.

- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Section I - Coverages because of damages arising out of the *products-completed operations hazard*. Each payment we make for such damages reduces, by the amount of the payment, the Products-Completed Operations Aggregate Limit. This reduced limit will then be the Limit of Insurance available for further damages of these kinds.
- 4. Subject to 2 and 3 above, or with respect to *injury* or damage arising out of the ownership, operation, maintenance, use, loading or unloading, or entrustment to others of an auto, the Each Occurrence Limit is the most we will pay for the sum of damages under Section I - Coverages because of all *injury* and damage arising out of any one *occurrence*.
- 5. The limits of this policy apply separately to



each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, 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 Limit of Insurance.

## SECTION III - CONDITIONS

We have no duty to provide coverage under this policy unless you and any other involved insured have fully complied with the Conditions contained in this policy and those contained in any *underlying insurance*.

If any of the following conditions are contrary to Conditions contained in the *underlying insurance*, the provisions contained in this policy apply.

### 1. Appeals

In the event the *underlying insurer* elects not to appeal a judgment in excess of the limits of the *underlying insurance*, we may elect to make such appeal. If we so elect, we shall be liable, in addition to the applicable Limit of Insurance for all *defense expenses* we incur.

### 2. Bankruptcy of Underlying Insurer

In the event of bankruptcy or insolvency of any *underlying insurer*, this policy shall not replace such *underlying insurance*. This policy applies as if the *underlying insurance* was valid and collectible.

### 3. Duties in the Event of Occurrence, Claim or Suit

a. You must see to it that we are notified as soon as practicable of an *occurrence* or 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 or suit is received by any insured you must:

- (1) Immediately record the specifics of the claim or suit and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or a suit;
- (2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or the defense of the insured against the suit;

(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; and

(5) Notify us immediately of any judgment or settlement of any claim or suit brought against any insured.

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.

### 4. Maintenance of Underlying Insurance

a. You agree to maintain the *underlying insurance* in full force and effect during the term of this policy. You agree to inform us within 10 days of any replacement of that *underlying insurance* by the same or another company. If there is any change in the replacement *underlying policy* in hazard, policy limits or coverage, including any terms, conditions and endorsements, we will only be liable under this insurance to the same extent as if there had been no change in, or replacement of, *underlying insurance*.

b. In the event that any *underlying insurance* is cancelled or not renewed and not replaced, you must notify us within 10 days. We will not be liable under this insurance for more than we would have been liable if that *underlying insurance* had not terminated if you do not request cancellation of this policy effective the same date that the *underlying insurance* was cancelled.

c. Reduction or exhaustion of the *aggregate limit* of any *underlying insurance* by payments for judgments or settlements will not be a failure to maintain *underlying insurance* in full force and effect.

d. No statement contained in this Condition limits our right to cancel or not renew this policy.

### 5. Other Insurance

This insurance is excess over any other valid and collectible insurance whether primary, excess, contingent or any other basis, except

other insurance written specifically to be excess over this insurance.

## 6. Policy Period

This insurance will respond to *injury* or damage

that occurs, or arises from an offense committed, during the policy period of this insurance shown in the Declarations.

## SECTION IV - DEFINITIONS

1. "*Aggregate limit*" means the maximum amount stated in the policy for which the insurer will be liable, regardless of the number of covered claims.
2. "*Defense expense*" means payments allocated to the investigation or settlement of a specific claim or the defense of the insured against a specific suit, including:
  - a. Attorney fees and all other litigation expenses.
  - b. The cost of bonds to appeal a judgment or award in our defense of the insured against any suit.
  - c. Up to \$250 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which bodily injury liability coverage provided by *underlying insurance* applies.
  - d. The cost of bonds to release attachments. This is only for bond amounts within the Limit of Insurance available.
  - e. Reasonable expenses incurred by the insured at our request to assist us in the investigation or settlement of the claim or the defense of the insured against the suit. This includes actual loss of earnings up to \$100 a day because of time off from work.
  - f. Cost taxed against the insured in the suit.
  - g. 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 II - Limits of Insurance.

*Defense expense* does not include:

  - a. Salaries and expenses of our employees or the insured's employees, other than:
    - (1) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific claim or suit; and
    - (2) The expenses described in e above.
  - b. Fees and expenses of independent adjusters we hire.
3. "*Injury*" means bodily injury, property damage, personal injury or advertising injury as defined in the *underlying insurance*.
4. "*Occurrence*" means:
  - a. With respect to bodily injury to persons other than your employees and property damage, an accident, including continuous or repeated exposure to substantially the same general harmful conditions;
  - b. With respect to bodily injury to your employees arising out of and in the course of their employment by you, the accident or disease which causes the bodily injury; and
  - c. With respect to offenses committed by the insured resulting in personal injury or advertising injury, all such injury sustained by any one person or organization.
5. "*Occurrence limit*" means any specific limit, other than an *aggregate limit*, applicable to any *underlying insurance*, regardless of whether such limit is subject to an *aggregate limit* in the *underlying policy*.
6. "*Products-completed operations hazard*":
  - a. Includes all *injury* occurring away from premises you own or rent and arising out of *your product* or *your work* except:
    - (1) Personal injury or advertising injury as defined in the *underlying insurance*;
    - (2) Products that are still in your physical possession; or
    - (3) 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; or
      - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
  - b. Does not include *injury* 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 in the General Liability *underlying policy* or in our General Liability manual or rules includes products or completed operations.

7. "*Underlying insurance*" means the liability insurance coverage provided under policies shown in the Schedule of Underlying Insurance in the Declarations, for the limits and periods indicated. It includes any policies issued to replace those policies during the term of this insurance, provided that you have notified us within 10 days of the replacement, and the replacement policies provide:

- a. At least the same policy limits;
- b. The same hazards insured against, except as modified by general program revisions; and
- c. The same coverage, including all terms, conditions and endorsements.

8. "*Underlying insurer*" means any insurer who issues a policy of *underlying insurance*.

9. "*Underlying policy*" means a policy providing *underlying insurance*.

10. "*Your product*" means:

- a. Any goods or products other than real property, manufactured, sold, handled,

distributed or disposed of by:

- (1) You;
- (2) Others trading under your name; or
- (3) A person or organization whose business or assets you have acquired; and

b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

*Your product* includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your product*; and
- b. The providing of or failure to provide warnings or instructions.

*Your product* does not include vending machines or other property rented to or located for the use of others but not sold.

11. "*Your work*" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

*Your work* includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your work*; and
- b. The providing of or failure to provide warnings or instructions.

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## ASBESTOS EXCLUSION

CU-7008(11-05)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following exclusion is added:

### Asbestos

1. This insurance does not apply to *injury*, including but not limited to, physical or mental injury, mental anguish or shock, sickness, disease, occupational disease, disability or death, or damage to property arising out of activities re-

lated to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

2. The following definition applies:

*"Injury"* means bodily injury or property damage as defined in the *underlying insurance*.

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY COVERAGE FORM**

1. This insurance does not apply to:
  - a. Any claim or accident:
    - (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. Any claim or accident resulting from the *hazardous properties of nuclear material*, if:
    - (1) The *nuclear material*:
      - (a) Is at any *nuclear facility* owned by, or operated by or on behalf of, an insured; or
      - (b) Has been discharged or dispersed therefrom;
    - (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
    - (3) The claim or accident 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:
  - a. "*Hazardous properties*" include radioactive, toxic or explosive properties.
  - b. "*Nuclear material*" means *source material*, *special nuclear material* or *by-product material*.
  - c. "*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.
  - d. "*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.
  - e. "*Waste*" means any waste material:
    - (1) Containing *by-products 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
    - (2) 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*.
  - f. "*Nuclear facility*" means:
    - (1) Any *nuclear reactor*;
    - (2) Any equipment or device designed or used for:
      - (a) Separating the isotopes of uranium or plutonium;
      - (b) Processing or utilizing *spent fuel*; or
      - (c) Handling, processing or packaging *waste*;
    - (3) 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;
    - (4) 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.

**g.** *"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.

**h.** *"Property damage"* includes all forms of radioactive contamination of property.

**MINNESOTA AMENDATORY ENDORSEMENT**

**CU-7031(3-03)**

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The definition of *defense expense* in Section V -

Definitions, also includes prejudgment interest awarded against the insured on that part of the judgment we pay.



## FUNGI OR BACTERIA EXCLUSION

CU-7054(3-03)

The endorsement modifies insurance provided under the following:

### COMMERCIAL EXCESS LIABILITY COVERAGE FORM

1. The following exclusion is added to Paragraph 2, Exclusions of Section I - Coverages:
  - a. *Injury* or damage which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any *fungi* or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
  - b. Any loss, cost or expenses arising out of the

abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, *fungi* or bacteria, by any insured or by any other person or entity.

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

2. 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.

## WAR LIABILITY EXCLUSION

CU-7067(3-03)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following exclusion is added:

This insurance does not apply to:

*Injury* or damage, however caused, arising, directly or indirectly, out of:

1. War, including undeclared or civil war; or

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.

**CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)**

CU-7072(1-15)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

**A. Applicability Of The Provisions Of This Endorsement**

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form; or

b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

2. If the provisions of this endorsement become applicable, such provisions:

a. Supersede any terrorism endorsement already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date

when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and

b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism* and/or *other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are shown in italics:

1. "*Terrorism*" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "*Any injury or damage*" means any injury or damage covered under any Coverage Form or underlying insurance to which this en-

dorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal and advertising injury, injury or environmental damage* as may be defined in any applicable Coverage Form or underlying insurance.

C. The following exclusion is added:

#### **EXCLUSION OF TERRORISM**

We will not pay for *any injury or damage* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury or damage* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of terrorism:**

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons

and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C5 or C6 are exceeded.

With respect to this Exclusion, Paragraphs C5 and C6 describe the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form.

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 Form.

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY COVERAGE FORM**

- 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 Form.

**REVISION OF OTHER INSURANCE CONDITION FOR ADDITIONAL INSUREDS - AUTOMATIC STATUS - PRIMARY OR PRIMARY AND NONCON-TRIBUTORY**

CU-7098(11-15)

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY COVERAGE FORM**

1. The amended Other Insurance condition in paragraph 2 below applies only to persons or organizations qualifying as additional insureds under the *underlying insurance*, subject to all other terms and conditions of this policy not modified by this endorsement.
2. Solely with respect to the insurance afforded to persons or organizations described in paragraph 1 above, the Other Insurance condition in Section III - Conditions is replaced by the following:

**Other Insurance**

**a. Excess Insurance**

Unless provision (1) or (2) in paragraph b below applies, this insurance is excess over any other valid and collectible insurance whether primary, excess, contingent or any other basis, except other insurance written specifically to be excess over this insurance.

**b. Primary Insurance**

- (1) If you have agreed in writing in a contract or agreement prior to an *occurrence*, claim, or suit, to provide insurance to the additional insured on a primary basis, then after:
  - (a) The *underlying insurance* applicable to that contract or agreement; and
  - (b) All other applicable insurance providing coverage on a primary or similar basis (except insurance available to the additional insured where they are a Named Insured);

are exhausted, this insurance will be primary.

- (2) If you have agreed in writing in a contract or agreement prior to an *occurrence*, claim, or suit, to provide insurance to the additional insured that is both primary and noncontributory, then after:

- (a) The *underlying insurance* applicable to that contract or agreement; and
- (b) All other applicable insurance providing coverage on a primary or similar basis (except insurance available to the additional insured where they are a Named Insured);

are exhausted, this insurance will be primary and we will not seek contribution from or require exhaustion of other insurance available to the additional insured where they are a Named Insured.

- (3) The most we will pay for a person or organization as primary insurance under paragraphs (1) and (2) above will be the lesser of:

- (a) The Limits of Insurance shown in the Declarations of this policy and as described in Section II - Limit of Insurance; or
- (b) The amount of insurance you are required to provide the additional insured in the written contract or agreement, less any amount paid by *underlying insurance*.

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following exclusion is added:

**First Aid and Good Samaritan Services**

1. This insurance does not apply to *injury*, including but not limited to, physical or mental injury, mental anguish or shock, sickness, disease, occupational disease, disability or death, or damage to property arising out of activities related to providing or failing to provide *first aid services*.
2. The following definitions apply:
  - a. "*First aid services*" means medical services or medically-related services provided when no *professional medical service provider* (whether licensed or not) is present and without the immediate provision of which would have immediately resulted in death or significant adverse result from a serious injury or serious condition of the recipient of those services.
  - b. "*Medical services*" includes all medical and medically-related services except *first aid services*.
  - c. "*Professional medical services provider*" means anyone who is employed, licensed, certified, educated, or trained to provide *medical services*.

**CYBER SUITE EXCLUSION**

**CU-7140(10-20)**

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE  
FORM

This insurance does not apply to damages covered under the Cyber Suite Coverage endorsement, if attached to the underlying policy.



**EXCLUSION - PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)**

CU-7149(5-23)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

- A. The following exclusion is added to Paragraph 2 Exclusions of Section I - Coverages:

**2. Exclusions**

Insurance provided under this Coverage Part does not apply to:

**Perfluoroalkyl And Polyfluoroalkyl Substances**

- a. *Injury* or damage which would not have occurred, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any *perfluoroalkyl* or *polyfluoroalkyl* substances.
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, *perfluoroalkyl* or *polyfluoroalkyl* substances, by any insured or by any other person or entity.

- B. The following definition is added to the Definitions Section:

*"Perfluoroalkyl or polyfluoroalkyl substances"* means any:

1. Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:
    - a. Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;
    - b. Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;
    - c. Perfluoropolyethers (PFPE);
    - d. Fluorotelomer-based substances; or
    - e. Side-chain fluorinated polymers; or
  2. Good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described in paragraph B1.
- C. The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion, do not exclude coverage for perfluoroalkyl and polyfluoroalkyl substances related injury, damage, loss, cost or expense.

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.

**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 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 of that

portion of the amount of such insured losses that exceeds the applicable insurer retention. The federal share percentage is 80%. 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.



Information Page

1. Named Insured and Address:

WYNSTONE TOWNHOMES ASSN
13780 FENWICK CIR
EDEN PRAIRIE MN 55346

Agency Name and Number:

8353-CG
NORTH RISK PARTNERS LLC
2010 CENTRE POINTE BLVD
PO BOX 64016
SAINT PAUL MN 55164

Insured Policy Number: ZL1040

Policy Number: CWC-ZL1040-00

Identification Number:

FEIN: 411967687

The Named Insured is:
ASSOCIATION

2. Policy Period: Inception 11-15-24 Expiration 11-15-25
12:01 A.M. standard time at the address of the insured stated herein.

3. A. Workers' Compensation Insurance: Part One of the policy applies to the Workers' Compensation Law of the states listed here:

Minnesota

B. Employers' Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3.A. The limits of our liability under Part Two are:

Table with 3 columns: Description, Limit Type, Amount. Rows include Bodily Injury by Accident (Each Accident \$500,000), Bodily Injury by Disease (Policy Limit \$500,000), and Bodily Injury by Disease (Each Employee \$500,000).

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:

All states except North Dakota, Ohio, Washington and Wyoming and States designated in Item 3.A. above.

D. Endorsements:

Table with 3 columns: Form Number, Form Title, Premium. Lists various endorsements like Workers' Compensation and Employers' Liability Insurance Policy, Experience Rating Modification Factor Endorsement, etc.

Insured Renewal or Replacement Number: ZL1040
Renewal or Replacement Number: CWC-ZL1040-00

Insured Policy Number: ZL1040  
 Policy Number: CWC-ZL1040-00  
 Effective Date: 11-15-24

Form Number	Form Title	Premium
WC 00 04 22 C(1-21)	Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement	
WC 00 04 24(1-17)	Audit Noncompliance Charge Endorsement	
WC 22 00 00 A(11-03)	Minnesota Amendatory Endorsement	
WC 22 06 01D(8-06)	Minnesota Cancellation and Nonrenewal Endorsement	

**4. Premium:** The premium for this policy will be determined by our Manual of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classification of Operations	Unit No.	Code No.	Premium Basis (Estimated Total Annual Remuneration)	Rates (Per \$100 of Remuneration)	Estimated Annual Premiums
<b>Minnesota</b>					
Buildings or Property Management - All Other Employees	001	9015	If Any	\$2.45	Included <sup>1</sup>
Employers' Liability With Work Comp - Incr. Limits 500,000 BI per Accident, 500,000 Disease per Employee, 500,000 Aggregate Disease Limit	003	9807			\$75.00
Expense Constant		0900			\$200.00
Minimum Premium Difference					\$219.00
Provisions for Terrorism	002	9740	If Any	\$.03	Included
<b>Total Estimated Annual Premium</b>					<b>\$494.00<sup>1</sup></b>
Annual Minimum Premium					\$494.00
Minnesota Special Compensation Fund Surcharge					\$2.00
Total					\$496.00

<sup>1</sup>Minimum Premium Applies

**Named Insured**

WYNSTONE TOWNHOMES ASSN  
**Federal Employer Identification Number:** 411967687  
**State Unemployment Number:** MN EXEMPT

**Locations Covered:**

13696-13700 FENWICK CIR  
 EDEN PRAIRIE MN 55346

Countersigned by NORTH RISK PARTNERS LLC  
 Authorized Representative

Insured Policy Number: ZL1040  
Policy Number: CWC-ZL1040-00  
Effective Date: 11-15-24

Date of Issue: 11-05-24

# WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

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IMPORTANT: This Index is **not** part of the Workers' Compensation and Employers' Liability Policy and does **not** provide coverage. Refer to the Workers' Compensation and Employers' Liability Policy itself for actual contractual provisions.

PLEASE READ THE WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY POLICY CAREFULLY.

## AGREEMENT

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

### GENERAL SECTION

#### A. THE POLICY

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

#### B. WHO IS INSURED

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

#### C. WORKERS' COMPENSATION LAW

Workers' Compensation Law means the work-

ers or workmen's compensation law and occupational disease law of each state or territory named in Item 3A of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

#### D. STATE

State means any state of the United States of America and the District of Columbia.

#### E. LOCATIONS

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3A states unless you have other insurance or are self-insured for such workplaces.

### PART ONE - WORKERS' COMPENSATION INSURANCE

#### A. HOW THIS INSURANCE APPLIES

This workers' compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

#### B. WE WILL PAY

We will pay promptly when due the benefits required of you by the workers' compensation law.

#### C. WE WILL DEFEND

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

#### D. WE WILL ALSO PAY

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
3. Litigation costs taxed against you;
4. Interest on a judgment as required by law until we offer the amount due under this insurance; and
5. Expenses we incur.

#### E. OTHER INSURANCE

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

#### F. PAYMENTS YOU MUST MAKE

You are responsible for any payments in excess of the benefits regularly provided by the workers' compensation law including those required because:

1. Of your serious and willful misconduct;
2. You knowingly employ an employee in violation of law;
3. You fail to comply with a health or safety law or regulation; or

4. You discharge, coerce or otherwise discriminate against any employee in violation of the workers' compensation law.

If we make any payments in excess of the benefits regularly provided by the workers' compensation law on your behalf, you will reimburse us promptly.

#### **G. RECOVERY FROM OTHERS**

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

#### **H. STATUTORY PROVISIONS**

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.

3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.

4. Jurisdiction over you is jurisdiction over us for purposes of the workers' compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.

5. This insurance conforms to the parts of the workers' compensation law that apply to:

- a. Benefits payable by this insurance;
- b. Special taxes, payments into security or other special funds, and assessments payable by us under that law.

6. Terms of this insurance that conflict with the workers' compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

## **PART TWO - EMPLOYERS' LIABILITY INSURANCE**

#### **A. HOW THIS INSURANCE APPLIES**

This employers' liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3A of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

#### **B. WE WILL PAY**

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers' Liability Insurance.

The damages we will pay, where recovery is

permitted by law, include damages:

1. For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
2. For care and loss of services; and
3. For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;

provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and

4. Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

#### **C. EXCLUSIONS**

This insurance does not cover:

1. Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. Bodily injury to an employee while employed in violation of law with your actual



knowledge or the actual knowledge of any of your executive officers;

4. Any obligation imposed by a workers' compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. Bodily injury intentionally caused or aggravated by you;
6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 U.S.C. Sections 901 et seq.), the Nonappropriated Fund Instrumentalities Act (5 U.S.C. Sections 8171 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. Sections 1331 et seq.), the Defense Base Act (42 U.S.C. Sections 1651-1654), the Federal Mine Safety and Health Act (30 U.S.C. Sections 801 et seq. and 901-944), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
9. Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 U.S.C. Sections 51 et seq.), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;
10. Bodily injury to a master or member of the crew of any vessel, and does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law;
11. Fines or penalties imposed for violation of federal or state law;
12. Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. Sections 1801 et seq.) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

#### **D. WE WILL DEFEND**

We have the right and duty to defend, at our expense, any claim, proceeding or suit against

you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

#### **E. WE WILL ALSO PAY**

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. Litigation costs taxed against you;
4. Interest on a judgment as required by law until we offer the amount due under this insurance; and
5. Expenses we incur.

#### **F. OTHER INSURANCE**

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

#### **G. LIMITS OF LIABILITY**

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3B of the Information Page. They apply as explained below.

##### **1. Bodily Injury by Accident**

The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

##### **2. Bodily Injury by Disease**

The limit shown for "bodily injury by disease-policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease-each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

#### H. RECOVERY FROM OTHERS

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

#### I. ACTIONS AGAINST US

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

### PART THREE - OTHER STATES INSURANCE

#### A. HOW THIS INSURANCE APPLIES

1. This other states insurance applies only if one or more states are shown in Item 3C of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3A of the Information Page.
3. We will reimburse you for the benefits re-

quired by the workers' compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.

4. If you have work on the effective date of this policy in any state not listed in Item 3A of the Information Page, coverage will not be afforded for that state unless we are notified within 30 days.

#### B. NOTICE

Tell us at once if you begin work in any state listed in Item 3C of the Information Page.

### PART FOUR - YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers' compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceed-

ing or suit.

4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

### PART FIVE - PREMIUM

#### A. OUR MANUALS

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

#### B. CLASSIFICATIONS

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your

actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

#### C. REMUNERATION

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. All your officers and employees engaged in work covered by this policy; and

2. All other persons engaged in work that could make us liable under Part One - Workers' Compensation Insurance of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers' compensation obligations.

#### **D. PREMIUM PAYMENTS**

You will pay all premium when due. You will pay the premium even if part or all of a workers' compensation law is not valid.

#### **E. FINAL PREMIUM**

The premium shown on the Information Page, schedules and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is cancelled, final premium will be determined in the following way unless our

manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short rate cancellation table and procedure. Final premium will not be less than the minimum premium.

#### **F. RECORDS**

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

#### **G. AUDIT**

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

### **PART SIX - CONDITIONS**

#### **A. INSPECTION**

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

#### **B. LONG TERM POLICY**

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

#### **C. TRANSFER OF YOUR RIGHTS AND DUTIES**

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within 30 days

after your death, we will cover your legal representative as insured.

#### **D. CANCELLATION**

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than 10 days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice.
4. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy, is changed by this statement to comply with the law.

#### **E. SOLE REPRESENTATIVE**

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium and give or receive notice of cancellation.

**EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT**

**WC 00 04 03(4-84)**

The premium for the policy will be adjusted by an experience rating modification factor. The factor was not available when the policy was issued. The factor, if any, shown on the Information Page is an es-

timate. We will issue an endorsement to show the proper factor, if different from the factor shown, when it is calculated.

**PREMIUM DISCOUNT ENDORSEMENT**

The premium for this policy and the policies, if any, listed in item 3 of the Schedule may be eligible for a discount. This endorsement shows your estimated discount in item 1 or 2 of the Schedule. The final calculation of premium discount will be determined

by our manuals and your premium basis as determined by audit. Premium subject to retrospective rating is not subject to premium discount.

**SCHEDULE**

1.	State	Premium Discount			Balance
		First \$5,000	Next \$95,000	Next \$400,000	
	MINNESOTA	0.0%	10.9%	12.6%	14.4%
2.	Average percentage discount:				N/A
3.	Other policies:				
4.	If there are no entries in items 1, 2 and 3 of the Schedule, see the Premium Discount Endorsement attached to your policy number:				

**90-DAY REPORTING REQUIREMENT - NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT**

**WC 00 04 14 A(1-19)**

You must report any change in ownership to us in writing within 90 days of the date of the change. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity, and other changes provided for in the applicable experience rating plan. Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you

for experience rating purposes.

Failure to report any change in ownership, regardless of whether the change is reported within 90 days of such change, may result in revision of the experience rating modification factor used to determine your premium.

This reporting requirement applies regardless of whether an experience rating modification is currently applicable to this policy.

**PREMIUM DUE DATE ENDORSEMENT**

**WC 00 04 19(1-01)**

This endorsement is used to amend:

Section D Of Part Five of the policy is replaced by this provision.

**PART FIVE - PREMIUM**

**D. Premium Payment** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. The due date for audit and retrospective premiums is the date of the billing.

**TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION  
ACT DISCLOSURE ENDORSEMENT**

This endorsement addresses requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2019. It serves to notify you of certain limitations under the Act, and that your insurance carrier is charging premium for losses that may occur in the event of an Act of Terrorism.

Your policy provides coverage for workers compensation losses caused by Acts of Terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

**Definitions**

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto, including any amendments resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2019.

"Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States, as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property, or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.
- d. The act has 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.

"Insured Loss" means any loss resulting from an act of terrorism (and, except for Pennsylvania, including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.

"Insurer Deductible" means for the period beginning on January 1, 2021 and ending on December 31, 2027, an amount equal to 20% of our direct earned premiums during the immediately preceding calendar year.

**Limitation of Liability**

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed \$100,000,000,000 in a calendar year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds \$100,000,000,000; and for aggregate Insured Losses up to \$100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

**Policyholder Disclosure Notice**

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses occurring in any calendar year exceed \$200,000,000, the United States Government would pay 80% of our Insured Losses that exceed our Insurer Deductible.
2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceeds \$100,000,000,000.
3. The premium charge for the coverage your policy provides for Insured Losses is included in the amount shown in Item 4 of the Information Page or in the Schedule below.

**SCHEDULE**

State	Rate	Premium
MN	\$0.030	\$0.00



**AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT**

**WC 00 04 24(1-17)**

Part Five - Premium, Section G (Audit) of the Workers' Compensation and Employers' Liability Insurance Policy is revised by adding the following:

If you do not allow us to examine and audit all of your records that relate to this policy, and/or do not provide audit information as requested, we may apply an Audit Noncompliance Charge. The method for determining the Audit Noncompliance Charge by state, where applicable, is shown in the Schedule below.

If you allow us to examine and audit all of your records after we have applied an Audit

Noncompliance Charge, we will revise your premium in accordance with our manuals and Part 5 - Premium, E (Final Premium) of this policy.

Failure to cooperate with this policy provision may result in the cancellation of your insurance coverage, as specified under the policy.

**Note:**

For coverage under state-approved workers' compensation assigned risk plans, failure to cooperate with this policy provision may affect your eligibility for coverage.

<u>State(s)</u>	<u>Basis of Audit Noncompliance Charge</u>	<u>Maximum Audit Noncompliance Charge Multiplier</u>
MN	Estimated Annual Premium	Up to Two Times

## MINNESOTA AMENDATORY ENDORSEMENT

WC 22 00 00 A(11-03)

This endorsement applies only to the insurance provided because Minnesota is shown in Item 3A of the Information Page.

### **PART TWO - EMPLOYERS' LIABILITY INSURANCE**

**E. WE WILL ALSO PAY** is amended to read:

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. Litigation costs taxed against you;
4. Your share of pre- or post-judgment interest assuming that the principal amount of that judgment is within the applicable policy limits under this insurance; and
5. Expenses we incur.

**H. RECOVERY FROM OTHERS** is amended to read:

Our ability to exercise your rights to recover our payment from anyone liable for an injury

covered by this insurance does not apply if that other person is insured for the same loss by us. This limitation applies only if the loss was caused by the non-intentional acts of the person against whom subrogation is sought.

### **PART FIVE - PREMIUM**

**G. AUDIT** is amended to read:

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records and programs for storing and retrieving data.

We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends, except as it pertains to Part Two - Employers' Liability Insurance which shall be one year. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

### **DEFINITIONS**

As used in this policy, "rate service organization" shall mean the Minnesota Workers' Compensation Insurers Association, Inc.

This endorsement applies only to the insurance provided because Minnesota is shown in Item 3A of the information page.

**CANCELLATION OF A NEW POLICY**

If this policy is a new policy and has been in effect for fewer than 90 days, we may cancel for any reason by giving you notice at least 60 days before the effective date of cancellation.

**CANCELLATION OF OTHER POLICIES**

If this policy has been in effect for 90 days or more, or if it is a renewal of a policy we issued, we may cancel for one or more of the following reasons:

1. Nonpayment of premium;
2. Misrepresentation or fraud made by you or with your knowledge in obtaining the policy or in pursuing a claim under the policy;
3. An act or omission by you that substantially increases or changes the risk insured;
4. Refusal by you to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed;
5. Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing this policy;
6. Loss of reinsurance by us which provided coverage to us for a significant amount of the underlying risk insured. Any notice of cancellation pursuant to this item shall advise you that you have 10 days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal;
7. A determination by the commissioner that the continuation of the policy could place us in violation of the Minnesota insurance laws; or
8. Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a

prerequisite to your obtaining or continuing this policy. This item shall not apply to persons who are retired at 62 years of age or older or who are disabled according to Social Security standards.

If we cancel your policy for any of the reasons listed in 2 through 8, we will give notice at least 60 days before the effective date of cancellation.

**NOTICE OF CANCELLATION**

Any notice of cancellation under this endorsement shall be in writing and shall be sent by first class mail or delivered to you and any agent, to the last mailing address known to us. A cancellation notice for nonpayment of premium must be sent at least 30 days before the actual date of cancellation and shall state the amount of premium due and the due date, and shall state the effect of nonpayment by the due date. Cancellation shall not be effective if payment of the amount due is made prior to the effective date of cancellation in the notice. A cancellation notice for some other reason shall state the specific reason for cancellation and shall state the effective date of cancellation. The policy will end on that date.

**REFUNDS DUE YOU**

If this policy is cancelled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

**NONRENEWAL OF YOUR POLICY**

Any notice of nonrenewal shall be in writing and shall be sent by first class mail or delivered to you and any agent, to the last mailing address known to us, at least 60 days before the expiration date.

We need not mail or deliver this nonrenewal notice if you have:

1. Insured elsewhere;
2. Accepted replacement coverage; or
3. Requested or agreed not to renew this policy.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.



Renewal Declarations

First Named Insured and Address:

WYNSTONE TOWNHOMES ASSN  
13780 FENWICK CIR  
EDEN PRAIRIE MN 55346

Agency Name and Number:

NORTH RISK PARTNERS LLC  
8353-CG

Policy Number: ZL1040

Policy Period: Effective Date: 11-15-24

Expiration Date: 11-15-25

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

12:01 A.M. standard time at your mailing address shown in the declarations

COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CB-0002(5-22)	Deluxe Bis-Pak Property Coverage Form	
CB-0006(8-15)	Bis-Pak Business Liability and Medical Expenses Coverage Form	
CB-0009(9-04)	Bis-Pak Common Policy Conditions	
CB-0412(7-02)	Limitation of Coverage to Designated Premises or Project	
CB-0417(1-10)	Employment-Related Practices Exclusion	
CB-0564(1-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Act)	
CB-0577(4-10)	Fungi or Bacteria Exclusion (Liability)	
CB-1416(1-10)	Snow Plow Products-Completed Operations Hazard Coverage	
CB-1481(7-13)	Limitations on Coverage for Roof Surfacing	
CB-1488(7-13)	Primary and Noncontributory - Other Insurance Condition	
CB-1504(5-14)	Exclusion-Access of Confidential or Personal Info/Data with Limited BI	
CB-1560(2-21)	Cyber Incident Exclusion	
CB-1591(10-23)	Exclusion - Perfluoroalkyl And Polyfluoroalkyl Substances (PFAS)	
CB-7019(4-10)	Hired Auto and Nonowned Auto Liability	\$128.00
CB-7025(2-07)	Minnesota Changes	
CB-7026(4-10)	Minnesota Changes - Condominium Association Coverage	
CB-7222(11-99)	Additional Insured - Condominium Unit Owners	
CB-7296(1-15)	Cap on Losses from Certified Acts of Terrorism - Property	\$1,716.00
CB-7299(1-15)	Cap on Losses from Certified Acts of Terrorism - Liability	
CB-7406(6-15)	Exclusion - Unmanned Aircraft	
CB-7410(8-15)	Civil Authority Changes	
CB-7425(9-17)	Windstorm or Hail - Fixed Dollar Deductible	

Form Number	Form Title	Premium
CB-7437(3-21)	Acuity Property Enhancements - Silver	
CB-7455(8-20)	Acuity Liability Enhancements - Silver	
IL-7012(1-18)	Asbestos Exclusion	
IL-7076(5-07)	Minnesota Fire Insurance Surcharge	\$279.00
IL-7082(12-20)	Disclosure Pursuant to Terrorism Risk Insurance Act	
IL-7149(7-20)	Cyber Suite Coverage	\$318.00
IL-7152(7-20)	Cyber Suite Schedule	
IL-7157(7-20)	Minnesota Changes - Cyber Suite Coverage	
<b>Advance Endorsement Premium</b>		<b>\$2,441.00</b>

**PREMIUM SUMMARY**

Advance Premium	\$41,045.00
Advance Endorsement Premium	\$2,441.00
<b>Total Advance Premium</b>	<b>\$43,486.00</b>

The Total Advance Premium shown above is based on the exposures you anticipated at the time this coverage part began. We will audit this coverage part in accordance with the Bis-Pak<sup>®</sup> Liability and Medical Expenses General Condition entitled Premium Audit - Business Liability at the close of the audit period.

**PROPERTY COVERAGES PROVIDED**

Form: Deluxe

Coverage Item	Premises Number	Building Number	Valuation Basis	Limit of Insurance	Automatic Increase Percentage
Building Condominium Deductible: \$5,000 per occurrence Optional Coverage Deductible: \$500 Wind/Hail Fixed Dollar Deductible: \$50,000 per occurrence	001	001	Replacement Cost	\$1,114,047	10%
Building Condominium Deductible: \$5,000 per occurrence Optional Coverage Deductible: \$500 Wind/Hail Fixed Dollar Deductible: \$50,000 per occurrence	002	001	Replacement Cost	\$1,114,047	10%
Building Condominium Deductible: \$5,000 per occurrence Optional Coverage Deductible: \$500 Wind/Hail Fixed Dollar Deductible: \$50,000 per occurrence	003	001	Replacement Cost	\$1,114,047	10%
Building Condominium Deductible: \$5,000 per occurrence Optional Coverage Deductible: \$500 Wind/Hail Fixed Dollar Deductible: \$50,000 per occurrence	004	001	Replacement Cost	\$1,114,047	10%

Coverage Item	Premises Number	Building Number	Valuation Basis	Limit of Insurance	Automatic Increase Percentage
Building Condominium Deductible: \$5,000 per occurrence Optional Coverage Deductible: \$500 Wind/Hail Fixed Dollar Deductible: \$50,000 per occurrence	005	001	Replacement Cost	\$1,114,047	10%
Building Condominium Deductible: \$5,000 per occurrence Optional Coverage Deductible: \$500 Wind/Hail Fixed Dollar Deductible: \$50,000 per occurrence	006	001	Replacement Cost	\$1,114,047	10%
Building Condominium Deductible: \$5,000 per occurrence Optional Coverage Deductible: \$500 Wind/Hail Fixed Dollar Deductible: \$50,000 per occurrence	007	001	Replacement Cost	\$1,114,047	10%
Building Condominium Deductible: \$5,000 per occurrence Optional Coverage Deductible: \$500 Wind/Hail Fixed Dollar Deductible: \$50,000 per occurrence	008	001	Replacement Cost	\$1,114,047	10%
Building Condominium Deductible: \$5,000 per occurrence Optional Coverage Deductible: \$500 Wind/Hail Fixed Dollar Deductible: \$50,000 per occurrence	009	001	Replacement Cost	\$1,114,047	10%
Building Condominium Deductible: \$5,000 per occurrence Optional Coverage Deductible: \$500 Wind/Hail Fixed Dollar Deductible: \$50,000 per occurrence	010	001	Replacement Cost	\$1,114,047	10%
Building Condominium Deductible: \$5,000 per occurrence Optional Coverage Deductible: \$500 Wind/Hail Fixed Dollar Deductible: \$50,000 per occurrence	011	001	Replacement Cost	\$1,114,047	10%
Building Condominium Deductible: \$5,000 per occurrence Optional Coverage Deductible: \$500 Wind/Hail Fixed Dollar Deductible: \$50,000 per occurrence	012	001	Replacement Cost	\$1,114,047	10%

**DESCRIPTION OF PREMISES**

Premises Number	Building Number	Construction, Occupancy and Location
001	001	FRAME CONDOMINIUM 13696-13700 FENWICK CIR EDEN PRAIRIE MN 55346
002	001	FRAME CONDOMINIUM 13680-13684 FENWICK CIR EDEN PRAIRIE MN 55346

Premises Number	Building Number	Construction, Occupancy and Location
003	001	FRAME CONDO 13712-13716 FENWICK CIR EDEN PRAIRIE MN 55346
004	001	FRAME CONDO BUILDING #01 13664-13668 FENWICK CIR EDEN PRAIRIE MN 55346
005	001	FRAME CONDO 13728-13732 FENWICK CIR EDEN PRAIRIE MN 55346
006	001	FRAME CONDO 13616-13620 FENWICK CIR EDEN PRAIRIE MN 55346
007	001	FRAME CONDO 13648-13652 FENWICK CIR EDEN PRAIRIE MN 55346
008	001	FRAME CONDO 13760-13764 FENWICK CIR EDEN PRAIRIE MN 55346
009	001	FRAME CONDO 13776-13780 FENWICK CIR EDEN PRAIRIE MN 55346
010	001	FRAME CONDO 13600-13604 FENWICK CIR EDEN PRAIRIE MN 55346
011	001	FRAME CONDO 13744-13748 FENWICK CIR EDEN PRAIRIE MN 55346
012	001	FRAME CONDO 13632-13636 FENWICK CIR EDEN PRAIRIE MN 55346

**MORTGAGEHOLDER NAME AND ADDRESS**

NONE

**LIABILITY COVERAGES PROVIDED**

Coverage Item	Limit of Insurance
Liability and Medical Expenses (Each Occurrence)	\$1,000,000
Medical Expenses (Any One Person)	\$10,000

Coverage Item	Limit of Insurance
Damage to Premises Rented to You	\$1,000,000
Products-Completed Operations Aggregate Limit	\$2,000,000
General Aggregate Limit (Other Than Products-Completed Operations)	\$2,000,000

#### SCHEDULE OF LIABILITY CLASSIFICATION

Premises Number	Building Number	Classification Description	Class Code	Premium Basis <sup>1</sup>	Premises Rate	Products Rate
001	001	Condominium - Residential	62003	2 UN	23.412	Included
002	001	Condominium - Residential	62003	2 UN	23.412	Included
003	001	Condominium - Residential	62003	2 UN	23.412	Included
004	001	Condominium - Residential	62003	2 UN	23.412	Included
005	001	Condominium - Residential	62003	2 UN	23.412	Included
006	001	Condominium - Residential	62003	2 UN	23.412	Included
007	001	Condominium - Residential	62003	2 UN	23.412	Included
008	001	Condominium - Residential	62003	2 UN	23.412	Included
009	001	Condominium - Residential	62003	2 UN	23.412	Included
010	001	Condominium - Residential	62003	2 UN	23.412	Included
011	001	Condominium - Residential	62003	2 UN	23.412	Included
012	001	Condominium - Residential	62003	2 UN	23.412	Included

<sup>1</sup> UN = Unit - Rate Applies Per Unit

#### COVERAGES PROVIDED

Coverage Item	Limit of Insurance
Hired and Nonowned Auto Liability	Same as Liability Limit
Employee Dishonesty	\$100,000
Forgery and Alteration	\$25,000
Electronic Data	\$25,000
Interruption of Computer Operations	\$10,000
Acuity Liability Enhancements - Silver	See CB-7455
Acuity Property Enhancements - Silver	See CB-7437



Coverage Item	Premises Number	Building Number	Limit of Insurance
Business Income and Extra Expense	001	001	Actual Loss Sustained
<i>Money and Securities</i> Inside the Premises	001	001	\$15,000
Outside the Premises			\$5,000
Business Income and Extra Expense	002	001	Actual Loss Sustained
Business Income and Extra Expense	003	001	Actual Loss Sustained
Business Income and Extra Expense	004	001	Actual Loss Sustained
Business Income and Extra Expense	005	001	Actual Loss Sustained
Business Income and Extra Expense	006	001	Actual Loss Sustained
Business Income and Extra Expense	007	001	Actual Loss Sustained
Business Income and Extra Expense	008	001	Actual Loss Sustained
Business Income and Extra Expense	009	001	Actual Loss Sustained
Business Income and Extra Expense	010	001	Actual Loss Sustained
Business Income and Extra Expense	011	001	Actual Loss Sustained
Business Income and Extra Expense	012	001	Actual Loss Sustained

**BIS-PAK PLAN**

Apartments

**AUDIT PERIOD**

Annual

**ADDITIONAL NAMED INSURED**

WHO IS AN INSURED includes the following Additional Named Insureds:

NONE

**FIRST NAMED INSURED IS:**

ORGANIZATION OTHER THAN PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY

# DELUXE BIS-PAK® PROPERTY COVERAGE FORM

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## DELUXE BIS-PAK® 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 italics have special meaning. Refer to the Property Definitions Section.

### PROPERTY COVERAGES

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

#### 1. Covered Property

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

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

- (1) Completed additions;
- (2) Garages, storage buildings, appurtenant structures usual to your occupancy;
- (3) Fixtures, including outdoor fixtures;
- (4) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (5) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (6) Personal property owned by you that is used to maintain or service the buildings, structures or the premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering.
- (7) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the buildings or structures; and
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations

or repairs to the buildings or structures.

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

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment and Valuation Property Loss Condition 5g(3)(b);
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under paragraph 1b(2); and
- (5) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

#### 2. Property Not Covered

Covered Property does not include:

- a.** Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b.** *Money* or *securities*, except as provided in the:
  - (1) Money and Securities Coverage Extension; or
  - (2) Employee Dishonesty Optional Coverage.
- c.** Contraband or property in the course of illegal transportation or trade;
- d.** Land (including land on which the property is located), water, growing crops or lawns;
- e.** Outdoor fences, radio or television antennas

(including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than *stock* of trees, shrubs or plants), all except as provided in the:

- (1) Outdoor Property Coverage Extension;  
or
- (2) Outdoor Signs Optional Coverage;

- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or *valuable papers and records*; except as otherwise provided in this policy;
- h. *Computer(s)* which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to *computer(s)* while held as *stock*;
- i. *Electronic Data*, except as provided under Additional Coverages - Electronic Data. This paragraph i does not apply to your *stock* of prepackaged software.
- j. Animals, unless owned by others and boarded by you, or if owned by you, only as *stock* while inside of buildings.

### 3. Covered Causes of Loss

Risks of Direct Physical Loss unless the loss is:

- a. Excluded in Property Exclusions; or
- b. Limited in paragraph 4, Limitations; that follow.

### 4. Limitations

- a. We will not pay for loss of or damage to:
  - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - (3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Extension of Coverage for Money and Securities.

- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- (5) The interior of any building or structure or the property inside any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
  - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which rain, snow, sleet, ice, sand or dust enters; or
  - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

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

- (1) Animals, and then only if they are killed or their destruction is made necessary.
- (2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:
  - (a) Glass that is part of the exterior or interior of a building or structure;
  - (b) Containers of property held for sale; or
  - (c) Photographic or scientific instrument lenses.

- c. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- (1) \$2,500 for furs, fur garments and garments trimmed with fur.
- (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- (3) \$2,500 for patterns, dies, molds and forms.

### 5. Additional Coverages

#### a. Debris Removal

- (1) Subject to paragraphs (3) and (4), 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 date of direct physical loss or

damage.

(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.

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

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

(4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

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

Therefore, if paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

**Example #1**

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

Debris Removal Expense

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

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

**Example #2**

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$80,000
Amount of Loss Payable	\$79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$30,000
Debris Removal Expense Payable	
Basic Amount	\$10,500
Additional Amount	\$10,000

The basic amount payable for debris removal expense under the terms of paragraph (3) is calculated as follows:

$\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$ ; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

**b. 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 within 180 days of the date on which the Covered Cause of Loss occurs.

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

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

#### **c. Preservation of Property**

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

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

We will not pay for any loss or damage under this Additional Coverage if the Covered Property was moved from the described premises to preserve it from loss or damage by a cause of loss that is not a Covered Cause of Loss.

#### **d. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500, unless a different limit is shown in the Declarations, for your liability for fire department service charges:

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

#### **e. Collapse**

The coverage provided under this Additional Coverage - Collapse applies only to an abrupt collapse as described and limited in paragraphs e(1) through e(7).

- (1) For the purpose of this Additional Coverage - Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- (2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part

of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:

- (a) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- (b) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (c) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- (d) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
  - (i) A cause of loss listed in paragraph (2)(a) or (2)(b);
  - (ii) One or more of the *specified causes of loss*;
  - (iii) Breakage of building glass;
  - (iv) Weight of people or personal property; or
  - (v) Weight of rain that collects on a roof.
- (3) This Additional Coverage - Collapse does **not** apply to:
  - (a) A building or any part of a building that is in danger of falling down or caving in;
  - (b) A part of a building that is standing, even if it has separated from another part of the building; or
  - (c) A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (4) With respect to the following property:
  - (a) Awnings;
  - (b) Gutters and downspouts;
  - (c) Yard fixtures;
  - (d) Outdoor swimming pools;
  - (e) Piers, wharves and docks;
  - (f) Beach or diving platforms or appurtenances;

- (g) Retaining walls; and
- (h) Walks, roadways and other paved surfaces;

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

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

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

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

**f. Water, Other Liquids, Powder or Molten Material Damage**

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

We will not pay the cost to repair any defect that caused the loss or damage, but we will

pay the cost to repair or replace damaged parts or fire extinguishing equipment if the damage:

- (1) Results in discharge of any substance from an automatic fire protection system; or
- (2) Is directly caused by freezing.

**g. Business Income and Extra Expense**

- (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 property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

- (2) Business income means the:

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

- (b) Continuing normal operating expenses incurred, including payroll.

- (3) We will pay necessary Extra Expense you incur during the *period of restoration* that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or

damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

(4) Extra Expense means expense incurred:

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

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

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

(c) To:

- (i) Repair or replace any property; or
- (ii) Research, replace or restore the lost information on damaged *valuable papers and records*;

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.

(5) We will only pay for Loss of Business Income or Extra Expense that you sustain during the *period of restoration* and that occurs within 12 consecutive months after the date of direct physical loss or damage. Items (1) through (5) of this Additional Coverage are not subject to the Limits of Insurance.

(6) 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:

- (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) 30 consecutive days after the date determined in (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.

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

- (a) The partial slowdown or complete cessation of your business activities; or
- (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

(8) This Additional Coverage is not subject to the Limits of Insurance.

#### **h. Civil Authority**

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

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



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

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

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

whichever is later.

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

#### **i. Money Orders and Counterfeit Money**

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

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) *Counterfeit money* that is acquired during the regular course of business.

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

#### **j. Forgery and Alteration**

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in *money*, that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in *money*, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.

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

#### **k. Increased Cost of Construction**

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement 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 k(3) through k(9) of this Additional Coverage.
- (3) The ordinance or law referred to in k(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 are 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 any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by *pollutants* or due to the presence, growth, proliferation, spread or any activity of *fungi*, wet rot or dry rot; or
  - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*, *fungi*, wet rot or dry rot.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form is \$10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property,

then the most we will pay under this Additional Coverage, for each damaged building, is \$10,000.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
- (a) We will not pay for the Increased Cost of Construction:
    - (i) Until the property is actually repaired or replaced, at the same or another premises; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
  - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in k(6) of this Additional Coverage, is not subject to such limitation.

#### **I. Business Income From Dependent Properties**

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

However, this Additional Coverage does not apply when the only loss to dependent property is loss or damage to *electronic data*, including destruction or corruption of *electronic data*. If the

dependent property sustains loss or damage to *electronic data* and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

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

- (2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume *operations*, in whole or in part, by using any other available:
- (a) Source of materials; or
  - (b) Outlet for your products.
- (3) If you do not resume *operations*, or do not resume operations as quickly as possible, we will pay based on the length of time it would have taken to resume *operations* as quickly as possible.
- (4) Dependent property means property owned by others whom you depend on to:
- (a) Deliver materials or services to you, or to others for your account. But services does not mean water, communication or power supply services;
  - (b) Accept your products or services;
  - (c) Manufacture your products for delivery to your customers under contract for sale; or
  - (d) Attract customers to your business.

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

- (5) The coverage period for Business Income under this Additional Coverage:
- (a) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
  - (b) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- (6) The Business Income coverage period, as stated in paragraph (5), does not include any increased period required due to the enforcement of any ordinance or law that:
- (a) Regulates the construction, use or repair, or requires the tearing down of

any property; or

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

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

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

**m. Glass Expenses**

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

**n. Fire Extinguisher Systems Recharge Expense**

- (1) We will pay:
  - (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
  - (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.
- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- (3) The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

**o. Water Backup of Sewers or Drains - Computers**

- (1) We will pay for loss or damage to *computer(s)* and *electronic media and records* caused by or resulting from water that backs up, or overflows from a sewer, drain or sump.
- (2) Property Exclusions item g(3) does not apply to this Additional Coverage.

**p. Electronic Data**

- (1) Subject to the provisions of this Additional Coverage, we will pay for the

cost to replace or restore *electronic data* which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that *electronic data* is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the *electronic data* was stored, with blank media of substantially identical type.

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

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

**q. Interruption of Computer Operations**

- (1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a suspension of *operations* caused by an interruption in computer operations due to destruction or corruption of *electronic data* due to a Covered Cause of Loss.
- (2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
  - (a) Coverage under this Additional

Coverage - Interruption of Computer Operations is limited to the *specified causes of loss* and Collapse.

- (b) If the Deluxe Bis-Pak® Property Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.
  - (c) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including *electronic data*) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including *electronic data*) by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage - Interruption of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is \$10,000, unless a higher Limit of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (4) This Additional Coverage - Interruption of Computer Operations does not apply to loss sustained or expense incurred after the end of the *period of restoration* even if the amount of insurance stated in (3) above has not been exhausted.
- (5) Coverage for Business Income does not apply when a suspension of *operations* is caused by destruction or corruption of *electronic data*, or any loss or damage to *electronic data*, except as provided under paragraphs (1) through (4) of this Additional Coverage.
- (6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of *operations* caused by destruction or corruption of *electronic data*, or any loss or damage to *electronic data*, except as provided under paragraphs (1) through (4) of this Additional Coverage.
- r. Limited Coverage for *Fungi*, Wet Rot Or Dry Rot**
- (1) The coverage described in paragraphs r(2) and r(6) only applies when the *fungi*, wet rot or dry rot 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 Damage Endorsement applies to the affected premises.
- (2) We will pay for loss or damage by *fungi*, wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
- (a) Direct physical loss or damage to Covered Property caused by *fungi*, wet rot or dry rot, including the cost or removal of the *fungi*, wet rot or dry rot;
  - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the *fungi*, wet rot or dry rot; and
  - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that *fungi*, wet rot or dry rot are present.
- (3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss of 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 *fungi*, wet rot or dry rot, we will not pay more than the total of \$15,000 even if the *fungi*, wet rot or dry rot 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 *fungi*, wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by *fungi*, wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that *fungi*, wet rot or dry rot 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 the Water Damage, Other Liquids, Powder or Molten Material Damage or Collapse Additional Coverages.
- (6) The following applies only if Business

Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of *operations* satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage.

- (a) If the loss which resulted in *fungi*, wet rot or dry rot does not in itself necessitate a suspension of *operations*, but such suspension is necessary due to loss or damage to property caused by *fungi*, wet rot or dry rot, then our payment under the Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- (b) If a covered suspension of *operations* was caused by loss or damage other than *fungi*, wet rot or dry rot, but remediation of *fungi*, wet rot or dry rot prolongs the *period of restoration*, we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the *period of restoration*), but such coverage is limited to 30 days. The days need not be consecutive.

## PROPERTY EXTENSIONS OF COVERAGE

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

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

### 1. Newly Acquired or Constructed Property

#### a. Buildings

You may extend the insurance that applies to Buildings to apply to:

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

The most we will pay for loss or damage under this Extension is \$500,000 for each

building.

#### b. Business Personal Property

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

- (1) Business Personal Property, including such property that you newly acquire, at any location you acquire;
- (2) 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; or
- (3) Business Personal Property that you newly acquire, located at the described premises.

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

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

#### c. Period Of Coverage

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

- (1) This policy expires;
- (2) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (3) 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.

## 2. Personal Effects and Property of Others

- a. You may extend the insurance that applies to Business Personal Property to apply to:
  - (1) Your personal effects meaning personal property 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 or to tools or equipment used in your business.
  - (2) Personal property in your care, custody or control belonging to other than you, your officers, your partners or *members*, your *managers* or your employees.
- b. The most we will pay for loss or damage under this Extension is \$5,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

## 3. Property Off-Premises

- a. You may extend the insurance provided by this policy to apply to your Covered Property, other than *money* and *securities*, *valuable papers and records* or accounts receivable, while it is in the course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000. This Extension does not apply to Covered Property in or on a vehicle.
- b. However, under this Extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit shown in the Declarations.

## 4. Property in Transit

You may extend the insurance that applies to Business Personal Property to apply to your personal property 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.

The most we will pay for loss or damage under this Extension is \$10,000. However, under this Extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit shown in the Declarations.

## 5. Outdoor Property

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

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

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

## 6. Valuable Papers and Records

- a. You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to *valuable papers and records* that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore lost information on *valuable papers and records* for which duplicates do not exist.
- b. This Coverage Extension does not apply to:
  - (1) Property held as samples or for delivery after sale; and
  - (2) Property in storage away from the premises shown in the Declarations.
- c. The most we will pay under this Coverage Extension for loss or damage to *valuable papers and records* in any one occurrence at the described premises is \$10,000 unless a higher Limit of Insurance for *Valuable Papers and Records* is shown in the Declarations.

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

- d. Loss or damage to *valuable papers and records* will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the

contents of the *valuable papers and records* are not restored, the *valuable papers and records* will be valued at the cost of replacement with blank materials of substantially identical type.

e. Property Exclusions does not apply to this Coverage Extension except for:

- (1) 1c, Governmental Action;
- (2) 1d, Nuclear Hazard;
- (3) 1f, War and Military Action;
- (4) 2f, Dishonesty;
- (5) 2g, False Pretense;
- (6) Paragraph 2m(2), Errors or Omissions; and
- (7) 3.

## 7. Accounts Receivable

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

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payments of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

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

b. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for Accounts Receivable is shown in the Declarations.

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

c. Property Exclusions does not apply to this Coverage Extension except for:

- (1) 1c, Governmental Action;
- (2) 1d, Nuclear Hazard;
- (3) 1f, War and Military Action;
- (4) 2f, Dishonesty;

- (5) 2g, False Pretense;
- (6) 3; and
- (7) The Accounts Receivable Exclusion.

## 8. Money and Securities

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

- (1) Theft, meaning any act of stealing;
- (2) Disappearance; or
- (3) Destruction.

b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions;
- (2) Due to the giving or surrendering of property in any exchange or purchase; or
- (3) Of property contained in any *money*-operated device unless the amount of *money* deposited in it is recorded by a continuous recording instrument in the device.

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

- (1) The limit shown in the Declarations for Inside the Premises for *money and securities* while:
  - (a) In or on the described premises; or
  - (b) Within a bank or savings institution; and
- (2) The limit shown in the Declarations for Outside the Premises for *money and securities* while anywhere else.

d. All loss:

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of related acts;

is considered one occurrence.

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

## PROPERTY EXCLUSIONS

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

### a. Ordinance or Law

The enforcement of 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:

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

### b. Earth Movement

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

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

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

Volcanic action means direct loss or

damage resulting from the eruption of a volcano when the loss or damage is caused by:

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

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

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

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

### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

### d. Nuclear Hazard

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

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

### e. Utility Services

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

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

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

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

But if the failure or surge of power, or the



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

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

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

**f. War and Military Action**

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

**g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

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

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

**h. Fungi, Wet Rot or Dry Rot**

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

But if *fungi*, wet rot or dry rot 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 *fungi*, wet rot or dry rot result from fire or lightning; or
- (2) To the extent that coverage is provided in the Limited Coverage for *Fungi, Wet Rot or Dry Rot Additional Coverage*, with respect to loss or damage by a cause of loss other than fire or lightning.

**i. Virus Or Bacteria**

- (1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- (2) However, the exclusion in paragraph (1) does not apply to loss or damage caused by or resulting from *fungi*, wet rot or dry rot. Such loss or damage is addressed in Exclusion j;
- (3) With respect to any loss or damage subject to the exclusion in paragraph (1), such exclusion supersedes any exclusion relating to *pollutants*.

**j. Certain Computer-Related Losses**

- (1) The failure, malfunction or inadequacy of:
  - (a) Any of the following, whether belonging to any insured or to others:
    - (i) *Computer* hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
    - (ii) *Computer* application software or other *electronic data* as may be described elsewhere in this policy;
    - (iii) *Computer* operating systems and related software;
    - (iv) *Computer* networks;
    - (v) Microprocessors (*computer* chips) not part of any *computer* system; or
    - (vi) Any other computerized or electronic equipment or components; or
  - (b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph (a) above;

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

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

If excluded loss or damage as described in paragraph 1a of this endorsement results in a *specified cause of loss*, we will pay only for the loss or damage caused by such *specified cause of loss*.

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

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

**a. Electrical Apparatus**

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

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

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

- (1) Electrical current, including arcing;  
(2) Electrical charge produced or conducted by a magnetic or electromagnetic field;  
(3) Pulse of electromagnetic energy; or  
(4) Electromagnetic waves or microwaves.

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

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

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

**b. Consequential Losses**

Delay, loss of use or loss of market.

**c. Smoke, Vapor, Gas**

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

**d. Steam Apparatus**

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

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

**e. Frozen Plumbing**

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

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

**f. Dishonesty**

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, *members*, officers, *managers*, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or  
(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

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

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

**g. False Pretense**

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

**h. Exposed Property**

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

**i. Collapse**

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

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

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

(2) This Exclusion i, does not apply:

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

**j. Pollution**

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

**k. Neglect**

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

**l. Other Types of Loss**

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions,

by insects, birds, rodents or other animals;

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

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

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

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

But, if an excluded cause of loss that is listed in 2l(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.

**m. Errors or Omissions**

Errors or omissions in:

- (1) Programming, processing or storing data, as described under *electronic data* or in any *computer operations*; or
- (2) Processing or copying *valuable papers and records*.

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

**n. Installation, Testing, Repair**

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

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

**o. Electrical Disturbance**

Electrical or magnetic injury, disturbance or erasure of *electronic data*, except as provided for under the Additional Coverages section.

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

**p. Continuous or Repeated Seepage or Leakage of Water**

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

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

Covered Cause of Loss.

**a. Weather Conditions**

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**

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

**c. Negligent Work**

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

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

**4. Additional Exclusion**

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

**Loss Or Damage To Products**

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

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

**a.** We will not pay for:

- (1) Any Extra Expense or increase of

Business Income loss, caused by or resulting from:

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

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

(2) Any other consequential loss.

**b.** With respect to this exclusion, suspension means:

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

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

**6. Accounts Receivable Exclusion**

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

We will not pay for:

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

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

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

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

**PROPERTY 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 most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.
- 3. The amounts of insurance applicable to the

Coverage Extensions and the following Additional Coverages apply in accordance with the terms of such coverages and are in addition to the Limits of Insurance:

- a.** Fire Department Service Charge;
- b.** Pollutant Clean-up And Removal;
- c.** Increased Cost Of Construction;

- d. Business Income From Dependent Properties;
- e. Electronic Data; and
- f. Interruption Of Computer Operations.

**4. Building Limit - Automatic Increase**

- a. In accordance with paragraph 4b, the Limit of Insurance for Buildings will automatically increase by the percentage of annual increase shown in the Declarations.
- b. The amount of increase is calculated as follows:
  - (1) Multiply the Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit by the percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08); and
  - (2) Multiply the number calculated in accordance with b(1) by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.

Example:

If:

The applicable Building limit is           \$100,000  
 The annual percentage increase is        8%  
 The number of days since the  
 beginning of the policy year  
 (or last policy change) is                   180  
 The amount of increase is  
 $\$100,000 \times .08 \times 180 \div 365 = \$3,945$

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

- a. Subject to paragraph 5b, the Limit of Insurance for Business Personal Property is automatically increased by:
  - (1) The Business Personal Property - Seasonal Increase percentage shown in the Declarations; or
  - (2) 25% if no Business Personal Property - Seasonal Increase percentage is shown in the Declarations;

to provide for seasonal variances.

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

- (1) The 12 months immediately preceding the date the loss or damage occurs; or
- (2) The period of time you have been in business as of the date the loss or damage occurs.

**6. Business Personal Property Limit - Automatic Increase**

- a. In accordance with paragraph 6b, the Limit of Insurance for Business Personal Property will automatically increase by the percentage of annual increase shown in the Declarations.
- b. The amount of increase is calculated as follows:

- (1) Multiply the Business Personal Property limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Business Personal Property limit by the percentage of annual increase shown in the Declarations, expressed as a decimal (example: 6% is .06); and
- (2) Multiply the number calculated in accordance with b(1) by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Business Personal Property limit, divided by 365.

Example:

If:

The applicable Business Personal  
 Property limit is                               \$100,000  
 The annual percentage increase is        6%  
 The number of days since the  
 beginning of the policy year  
 (or last policy change) is                   180  
 The amount of increase is  
 $\$100,000 \times .06 \times 180 \div 365 =$                \$2,959

**PROPERTY OPTIONAL COVERAGES**

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

**1. Outdoor Signs**

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
  - (1) Owned by you; or
  - (2) Owned by others but in your care, custody or control.

b. Paragraph 3, Covered Causes of Loss, under the Property Coverages Section, and the Property Exclusions Section do not apply to this Optional Coverage, except for the following Property Exclusions:

- (1) Paragraph 1c, Governmental Action;
- (2) Paragraph 1d, Nuclear Hazard; and
- (3) Paragraph 1f, War and Military Action.

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

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

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

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

## 2. Employee Dishonesty

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

- (1) Cause you to sustain loss or damage; and also
- (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

- (a) Any employee; or
- (b) Any other person or organization.

b. We will not pay for loss or damage:

- (1) Resulting from any dishonest or criminal act that you or any of your partners or *members* commit whether acting alone or in collusion with other persons.
- (2) Resulting from any dishonest act committed by any of your employees (except as provided in paragraph a), *managers* or directors:
  - (a) Whether acting alone or in collusion with other persons; or
  - (b) While performing services for you or otherwise.
- (3) The only proof of which as to its existence or amount is:

- (a) An inventory computation; or
- (b) A profit and loss computation.

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

d. All loss or damage:

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of acts; is considered one occurrence.

e. If any loss is covered:

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

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

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

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

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

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

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

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

- (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

i. The insurance under paragraph h above is

part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:

- (1) This Optional Coverage as of its effective date; or
  - (2) The prior insurance had it remained in effect.
- j. With respect to the Employee Dishonesty Optional Coverage in paragraph 2, employee means:
- (1) Any natural person:
    - (a) While in your service or for 30 days after termination of service;
    - (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 (1) above, who is on leave; or
    - (b) To meet seasonal or short-term work load conditions.

- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in paragraph (2) above;
- (4) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
- (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any *manager*, director or trustee except while performing acts coming within the usual duties of an employee.

## PROPERTY DEDUCTIBLES

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

In the event that loss or damage occurs to Covered Property at one or more building locations as a result of one occurrence, the largest applicable deductible shown in the Declarations will apply.

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:
  - a. Money and Securities;
  - b. Employee Dishonesty;

- c. Outdoor Signs; and
- d. Forgery or Alteration.

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

3. No deductible applies to the following Additional Coverages, Extensions of Coverage or Optional Coverages:
  - a. Fire Department Service Charge;
  - b. Business Income and Extra Expense;
  - c. Civil Authority;
  - d. Fire Extinguisher Systems Recharge Expense.

## PROPERTY GENERAL CONDITIONS

### 1. Control of Property

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

The breach of any condition of this Coverage Form at any one or more locations will not affect

coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### 2. Mortgageholders

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss of or damage to

buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this policy at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:
  - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the

mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
  - (1) Ten days before the effective date of cancellation if we cancel for your non-payment of premium; or
  - (2) Thirty days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

### 3. No Benefit to Bailee

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

### 4. Policy Period, Coverage Territory

Under this form:

- a. We cover loss or damage commencing:
  - (1) During the policy period shown in the Declarations; and
  - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; and
  - (3) Canada.

## PROPERTY LOSS CONDITIONS

### 1. Abandonment

There can be no abandonment of any property to us.

### 2. Appraisal

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

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

umpire equally.

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 reasonably incurred to protect the Covered Property. We will consider these expenses in the settlement of a claim, but this will not increase the applicable Limit of Insurance. However, we will not consider any expenses incurred in order to protect the Covered Property from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

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

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

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

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

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

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

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

#### 4. Legal Action Against Us

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

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

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

#### 5. Loss Payment and Valuation

In the event of loss or damage covered by this Coverage Form:

a. At our option, we will either:

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

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

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

(4) Repair, rebuild or replace the property with other property of like kind and quality.

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

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

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

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

f. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy and we have reached agreement with you on the amount of loss or an appraisal award has been made.

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

(1) At replacement cost without deduction for depreciation, if Replacement Cost is indicated in the Declarations as the basis for valuation of the Covered Property.

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

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

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

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

However, if the cost to repair or replace the damaged building property is \$2,500 or less, we will settle the loss according to the provisions of paragraph g(1) above whether or not the actual repair or replacement is complete.

- (c) We will not pay more for loss or damage on a replacement cost basis than the least of:
  - (i) The cost to replace, on the same premises, the lost or damaged property with other property that is of comparable material and quality and is used for the same purpose.
  - (ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.
  - (iii) The limit shown in the Declarations for the Covered Property.

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

- (2) At actual cash value, if Actual Cash Value is indicated in the Declarations as the basis for valuation of the Covered Property. We will never pay more than the applicable limit shown in the Declarations.
- (3) The following property at actual cash value:
  - (a) Used or second-hand merchandise held in storage or for sale;
  - (b) Property of others. However, if an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;
  - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (d) Manuscripts; and
  - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.
- (4) Glass at the cost of replacement with

safety glazing material if required by law.

- (5) *Money* at its face value.
- (6) Securities at their value at the close of business on the day the loss is discovered.
- (7) Applicable only to Accounts Receivable:
  - (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
    - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (i) The amount of the accounts for which there is no loss or damage;
    - (ii) The amount of the accounts that you are able to reestablish or collect;
    - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (iv) All unearned interest and service charges.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of this Loss Payment and Valuation 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 Common Policy Condition.

## 6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. 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.

## 7. Resumption of Operations

We will reduce the amount of your:

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

## 8. Vacancy

### a. Description of Terms

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

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

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

- (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee 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 (1)(a) through (1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## PROPERTY DEFINITIONS

1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

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

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

3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer

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

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

5. "Manager" means a person serving in a directorial capacity for a limited liability

company.

6. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a *manager*.
7. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
8. "Operations" mean your business activities occurring at the described premises.
9. "Period of restoration" means the period of time that:
  - a. Begins:
    - (1) 24 hours after 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:

- a. Regulates the construction, use or repair, or requires the tearing down of any property; or
- b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of *pollutants*.

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

10. "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.
11. "Securities" means negotiable and nonnegotiable instruments or contracts representing either *money* or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include *money*.

12. "Specified causes of loss" means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
  - (1) The cost of filling sinkholes; or
  - (2) Sinking or collapse of land into man-made underground cavities.
- b. Falling objects does not include loss of or damage to:
  - (1) Personal Property in the open; or
  - (2) The interior of a building or structure or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

13. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

14. "Valuable papers and records" means inscribed, printed, or written:

- a. Documents;
- b. Manuscripts; and
- c. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

But *valuable papers and records* does not mean *money* or *securities*.

**BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM**

**Index of Policy Provisions**

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## BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES 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 the Who Is An Insured Section of this policy.

Other words and phrases that appear in italics have special meaning. Refer to the Liability and Medical Expenses Definitions Section.

### LIABILITY AND MEDICAL EXPENSES COVERAGES

#### 1. Business Liability

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

- (1) The amount we will pay for damages is limited as described in the Liability and Medical Expenses Limits of Insurance Section; and
- (2) Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements or medical expenses.

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

- b. This insurance applies:

- (1) To *bodily injury* or *property damage* only if:
  - (a) The *bodily injury* or *property damage* is caused by an *occurrence* that takes place in the *coverage territory*; and
  - (b) The *bodily injury* or *property damage* occurs during the policy period.
  - (c) Prior to the policy period, no insured listed under item 1 of Who Is An Insured and no *employee* authorized by you to give or receive notice of an *occurrence* or claim, knew that the *bodily injury* or *property damage* had occurred, in whole or in part. If

such a listed insured or authorized *employee* knew, prior to the policy period, that the *bodily injury* or *property damage* occurred, then any continuation, change or resumption of such *bodily injury* or *property damage* during or after the policy period will be deemed to have been known before the policy period.

- (2) To *personal and advertising injury* caused by an offense arising out of your business, but only if the offense was committed in the *coverage territory* during the policy period.
- c. *Bodily injury* or *property damage* which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under item 1 of Who Is An Insured or any *employee* authorized by you to give or receive notice of an *occurrence* or claim, includes any continuation, change or resumption of *bodily injury* or *property damage* after the end of the policy period.
- d. *Bodily injury* or *property damage* will be deemed to have been known to have occurred at the earliest time when any insured listed under item 1 of 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*.
- f. **Coverage Extension - Supplementary Payments**

(1) We will pay, with respect to any claim we investigate or settle, or any *suit* against an insured we defend:

- (a) All expenses we incur.
- (b) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for *bodily injury* applies. We do not have to furnish these bonds.
- (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
- (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or *suit*, including actual loss of earnings up to \$250 a day because of time off from work.
- (e) All court costs taxed against the insured in the *suit*. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the 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 our Limit of Insurance.

These payments will not reduce the limit of liability.

(2) If we defend an insured against a *suit* and an indemnitee of the insured is also named as a party to the *suit*, we will defend that indemnitee if all of the following conditions are met:

- (a) The *suit* against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an *insured contract*;
- (b) This insurance applies to such liability assumed by the insured;
- (c) The obligation to defend, or the cost of the defense of, that indemnitee

has also been assumed by the insured in the same *insured contract*;

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

(3) So long as the 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 1b(2) of Exclusions, such payments will not be deemed to be damages for *bodily injury* and *property damage* and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses

as Supplementary Payments ends when:

- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in paragraph (2)(f) above, are no longer met.

## 2. Medical Expenses

- a. We will pay medical expenses as described below for *bodily injury* caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;provided that:
  - (1) The accident takes place in the

*coverage territory* and during the policy period;

- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the Limit of Insurance. We will pay reasonable expenses for:
  - (1) First aid 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.

## EXCLUSIONS

### 1. Applicable to Business Liability Coverage

#### This Insurance does not apply to:

- a. Expected or Intended Injury  
*Bodily injury* or *property damage* expected or intended from the standpoint of the insured. This exclusion does not apply to *bodily injury* resulting from the use of reasonable force to protect persons or property.
- b. Contractual Liability  
*Bodily injury* or *property damage* for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
  - (1) That the insured would have in the absence of the contract or agreement; or
  - (2) Assumed in a contract or agreement that is an *insured contract*, provided the *bodily injury* or *property damage* occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an *insured contract*, reasonable attorney 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 attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

- c. Liquor Liability  
*Bodily injury* or *property damage* for which any insured may be held liable by reason of:
  - (1) Causing or contributing to the intoxication of any person;
  - (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
  - (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing of 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. Employers' 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:

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

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

**f. 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 any insured or 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 fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.

- (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 or 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 allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the *occurrence* which caused the *bodily injury or property damage* involved the ownership, maintenance, use or entrustment to others of any aircraft, *auto* or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) Watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 51 feet long; and
  - (b) Not being used to carry persons or property for a charge.

- (3) Parking an *auto* on, or on the ways next to premises you own or rent, provided the *auto* is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (5) *Bodily injury or property damage* arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
  - (b) The operation of any of the following machinery or equipment:
    - (i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - (ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geo-physical exploration, lighting and well servicing equipment.

**h. Mobile Equipment**

*Bodily injury or property damage* arising out of:

- (1) The transportation of *mobile equipment* by an *auto* owned or operated by or rented or loaned to any insured; or
- (2) The use of *mobile equipment* in, or while in practice for, or while being prepared for, any prearranged racing, speed or stunting activity.

**i. War**

*Bodily injury, property damage or personal and advertising injury*, however caused, arising, directly or indirectly, out of:

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

j. Professional Services

*Bodily injury, property damage or personal and advertising injury* due to rendering or failure to render any professional service.

This includes but is not limited to:

- (1) Legal, accounting, advertising, counseling, consulting services or funeral home services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, x-ray or nursing services, treatment, advice or instruction;
- (5) Any health or therapeutic service, treatment, advice or instruction including but not limited to physiotherapy, massage, chiropractic, or the operation or use of tanning booths or equipment;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services, barber and beauty shops;
- (9) Services in the practice of pharmacy, but this exclusion does not apply to an insured whose operations include those of a retail druggist or drugstore.
- (10) Services in connection with the selling, licensing, franchising or furnishing of your computer software including electronic data processing programs, designs, specifications, manuals and instructions.
- (11) Data processing services rendered by, or that should have been rendered by:
  - (a) The insured; or
  - (b) Any person or organization:
    - (i) For whose acts, errors or omissions the insured is legally responsible; or
    - (ii) From whom the insured assumed liability by reason of a contract or agreement.

(12) The rendering of, or failure to render, electronic data processing, computer consulting or computer programming services, advice or instruction by:

- (a) The insured; or
- (b) Any person or organization:
  - (i) For whose acts, errors or omissions the insured is legally responsible; or
  - (ii) From whom the insured assumed liability by reason of a contract or agreement.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the *occurrence* which caused the *bodily injury or property damage*, or the offense which caused the *personal and advertising injury*, involved the rendering or failure to render of any professional service.

k. Damage to Property

*Property damage* to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the *property damage* arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of any insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the *property damage* arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because *your work* was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to *property damage* (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as

described in paragraph 3 under the Liability And Medical Expenses Limits Of Insurance Section.

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

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

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

**l. Damage to Your Product**

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

**m. Damage to Your Work**

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

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

**n. Damage to Impaired Property or Property Not Physically Injured**

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

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

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to *your product* or *your work* after it has been put to its intended use.

**o. Recall of Products, Work or Impaired Property**

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

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

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect,

deficiency, inadequacy or dangerous condition in it.

**p. Personal and Advertising Injury**

*Personal and advertising injury*:

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict *personal and advertising injury*;
- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- (5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your *advertisement*;
- (6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your *advertisement*;
- (7) Arising out of the wrong description of the price of goods, products or services stated in your *advertisement*;
- (8) Committed by an insured whose business is:
  - (a) Advertising, broadcasting, publishing or telecasting;
  - (b) Designing or determining content of websites for others; or
  - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to paragraphs a, b and c of Definition 14 *Personal and advertising injury* under Liability And Medical Expenses Definitions.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting.

- (9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape

of *pollutants* at any time.

(10) With respect to any loss, cost or expense arising out of any:

(a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way responding to, or assessing the effects of *pollutants*.

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of *pollutants*.

(11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.

(12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your *advertisement*.

However, this exclusion does not apply to infringement, in your *advertisement*, of copyright, trade dress or slogan.

(13) Arising out of the unauthorized use of another's name or product in your email address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

**q. Suntanning Operations**

*Bodily injury, personal and advertising injury* or *property damage* arising out of the ownership, operation or use of any suntanning booth or suntanning device.

**r. Lead**

*Bodily injury, property damage, personal and advertising injury* arising out of the actual, alleged or threatened ingestion, inhalation, absorption, exposure or presence of lead in any form or from any source.

Coverage also does not apply to any loss, cost, expense, fine or penalty arising out of any:

(1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, dispose of or in any way respond to or assess the effects of lead in any form; or

(2) Claim or suit by or on behalf of a governmental authority for damages

because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, disposing of or in any way responding to or assessing the effects of lead in any form.

**s. Electronic Data**

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

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy discs, 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.

**t. Criminal Acts**

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

**u. Recording And Distribution Of Material Or Information In Violation Of Law**

*Bodily injury, property damage, or personal and advertising injury* arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

(4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or

distribution of material or information.

Exclusions c, d, e, f, g, h, i, k, l, m, n, o and r do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in the Limits of Insurance Section of this Coverage Form.

## 2. Applicable to Medical Expenses Coverage

We will not pay expenses for *bodily injury*:

- a. To any insured, except *volunteer workers*.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an *employee* of any insured, if benefits for the *bodily injury* are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. To a person injured while practicing, instructing or participating in any physical exercises or games, sports or taking part in athletic contests.
- f. Included within the *products-completed operations hazard*.
- g. Excluded under Business Liability Coverage.

## 3. Applicable to Both Business Liability Coverage and Medical Expenses Coverage - Nuclear Energy Liability Exclusion

This insurance does not apply:

- a. Under Business Liability Coverage, to *bodily injury* or *property damage*:
  - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its Limit of Liability; or
  - (2) Resulting from the *hazardous properties* of *nuclear material* and with respect to which:
    - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
    - (b) The insured is, or had this policy not

been issued would be, entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America or any agency thereof, with any person or organization.

- b. Under Medical Expenses Coverage, to expenses incurred with respect to *bodily injury* resulting from the *hazardous properties* of *nuclear material* and arising out of the operation of a *nuclear facility* by any person or organization.
- c. Under Business Liability Coverage, to *bodily injury* or *property damage* resulting from the *hazardous properties* of *nuclear material*, if:
  - (1) The *nuclear material*:
    - (a) Is at any *nuclear facility* owned by or operated by or on behalf of an insured; or
    - (b) Has been discharged or dispersed therefrom;
  - (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
  - (3) The *bodily injury* or *property damage* arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.
- d. As used in this exclusion:

"*Byproduct material*" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"*Hazardous properties*" include radioactive, toxic or explosive properties;

"*Nuclear facility*" means:

  - (1) Any *nuclear reactor*;
  - (2) Any equipment or device designed or used for:
    - (a) Separating the isotopes of uranium or plutonium;
    - (b) Processing or utilizing *spent fuel*; or
    - (c) Handling, processing or packaging *waste*;
  - (3) 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;

- (4) 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 material*" means *source material*, *special nuclear material* or *byproduct material*;

"*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;

"*Source material*" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"*Special nuclear material*" has the meaning given it 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:

- (1) Containing *byproduct material* other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
- (2) Resulting from the operation by any person or organization of any *nuclear facility* included under paragraphs (1) and (2) of the definition of *nuclear facility*.

## 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 insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your *executive officers* and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
  - a. Your *volunteer workers* only while performing duties related to the conduct of

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

- (1) *Bodily injury* or *personal and advertising injury*:
  - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a *co-employee* while in the course of his or her employment or performing duties related to the conduct of your business, or to your other *volunteer workers* while performing duties related to the conduct of your business;
  - (b) To the spouse, child, parent, brother or sister of that *co-employee* as a consequence of paragraph (1)(a) above;
  - (c) For which there is any obligation to

share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b); or

- (d) Arising out of his or her providing or failing to provide professional health care services. However, if you have *employees* who are pharmacists in your retail druggist or drugstore operation, they are insured with respect to their providing or failing to provide professional health care services; or

(2) *Property damage* to property:

- (a) Owned, occupied or used by; or
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your *employees, volunteer workers*, any partner or member (if you are a partnership or joint venture) or any member (if you are a limited liability company).

- b. Any person (other than your *employee* or *volunteer worker*) or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

3. Any organization you newly acquire or form, other than a partnership, limited liability company 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. 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 does not apply to *bodily injury* or *property damage* that occurred before you acquired or formed the organization; and
- c. Coverage 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.

## LIABILITY AND MEDICAL EXPENSES 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 most we will pay for the sum of all damages because of all:

- a. *Bodily injury, property damage* and medical expenses arising out of any one *occurrence*; and
- b. *Personal and advertising injury* sustained by any one person or organization;

is the Liability and Medical Expenses Limit shown in the Declarations. But the most we will pay for all medical expenses because of *bodily injury* sustained by any one person is the Medical Expenses Limit shown in the Declarations.

3. The most we will pay under Business Liability

Coverage for damages because of *property damage* to a premises while rented to you or in the case of a fire while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You Limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the Damage To Premises Rented To You Limit shown in the Declarations.

### 4. Aggregate Limits

a. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay for injury or damage under the *products-completed operations hazard* arising from all *occurrences* during the policy period.

b. The General Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages because of all:

(1) *Bodily injury, property damage* and medical expenses arising from all



occurrences during the policy year. This limit applies separately to:

- (a) Each location owned by or rented to you. A location is a premises involving the same or connecting lots, or a premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad; and
- (b) Each of your projects away from a location owned by or rented to you; or

(2) *Personal and advertising injury* arising

out of all offenses committed during the policy period.

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, 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.

## LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

We have no duty to provide coverage under this Coverage Part unless you and any other involved insured have fully complied with the Conditions contained in this Coverage Part.

### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

### 2. Duties in the Event of Occurrence, Offense, Claim or Suit

a. You must see to it that we are notified as soon as practicable of an *occurrence* or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the *occurrence* or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the *occurrence* or offense.

b. If a claim is made or *suit* is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or *suit* and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or *suit* as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or *suit*;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense

against the *suit*; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense, other than for first aid, without our consent.

### 3. Legal Action Against Us

No person or organization has a right under this policy:

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

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

### 4. Separation of Insureds

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

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

### 5. Premium Audit - Business Liability

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. If a premium payment is due, we will send notice to the First Named Insured. The due date for audit premiums is the date

shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy term 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.

## LIABILITY AND MEDICAL EXPENSES DEFINITIONS

- 1. "*Advertisement*" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

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

- 2. "*Auto*" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

However, *auto* does not include *mobile equipment*.

- 3. "*Bodily injury*" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

- 4. "*Coverage territory*" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- 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 parts of the world if:

The injury or damage arises out of:

- (1) Goods or products made or sold by you in the territory described in a above; or
- (2) The activities of a person whose home is in the territory described in a above,

but is away for a short time on your business; and

- (3) "*Personal and advertising injury*" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a *suit* on the merits in the territory described in a above or in a settlement 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, by-laws 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:

- a. The repair, replacement, adjustment or removal of *your product* or *your work*; or

- b. 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; or
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for *bodily injury* or *property damage* to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f does not include that part of any contract or agreement;

- (1) That indemnifies a railroad for *bodily injury* or *property damage* arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services.

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

11. "*Loading or unloading*" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or *auto*;
  - b. While it is in or on an aircraft, watercraft or *auto*; or
  - c. While it is being moved from an aircraft,

watercraft or *auto* to the place where it is finally delivered.

But *loading or unloading* does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or *auto*.

12. "*Mobile equipment*" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, on which are permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers.
- e. Vehicles not described in a, b, c or d above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers.
- f. Vehicles not described in a, b, c or d above maintained primarily for purposes other than the transportation of persons or cargo.

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

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

However, *mobile equipment* does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered *autos*.

13. "*Occurrence*" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "*Personal and advertising injury*" means injury, including consequential *bodily injury*, arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, 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 the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

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

The *bodily injury* or *property damage* must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of *your product* for consumption on premises you own or rent.

- b. Does not include *bodily injury* or *property damage* arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the *loading* or *unloading* of that vehicle by any insured; or
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "*Property damage*" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the *occurrence* that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "*Suit*" means a civil proceeding in which damages because of *bodily injury*, *property damage*, or *personal and advertising injury* to which this insurance applies are alleged. *Suit* includes:

- a. An arbitration proceeding in which such damages are claimed and to which the *insured* must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are

claimed and to which the *insured* submits with our consent.

19. "*Temporary worker*" means a person who is furnished to you to substitute for a permanent *employee* on leave or to meet seasonal or short-term workload conditions.
20. "*Volunteer worker*" means a person who is not your *employee*, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
21. "*Your product*" means:
- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (1) You;
    - (2) Others trading under your name; or
    - (3) A person or organization whose business or assets you have acquired; and
  - b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

*Your product* includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your product*; and
- b. The providing of or failure to provide warnings or instructions.

*Your product* does not include vending machines or other property rented to or located for the use of others but not sold.

22. "*Your work*" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

*Your work* includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your work*; and
- b. The providing of or failure to provide warnings or instructions.

# BIS-PAK® COMMON POLICY CONDITIONS

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COVERAGES			

## BIS-PAK® COMMON POLICY CONDITIONS

All coverages of this Coverage Part 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. Ten days before the effective date of cancellation if we cancel for nonpayment of premium.
  - b. Thirty 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. 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.

### D. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and

records as they relate to this policy at any time during the policy period and up to three years afterward.

### E. INSPECTIONS AND SURVEYS

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe 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.

### F. INSURANCE UNDER TWO OR MORE COVERAGES

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

### G. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this 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.

### H. 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.
3. Business Liability Coverage is excess over:
  - a. Any of the other insurance, whether primary, excess, contingent or on any other basis:
    - (1) That is Fire, Extended Coverage, Builders' Risk, Installation Risk or similar coverage for *your work*;
    - (2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or
    - (3) If the loss arises out of the maintenance or use of aircraft, *autos* or watercraft to the extent not subject to Exclusion g.
  - b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.
4. When Business Liability Coverage 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.

When Business Liability Coverage 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.

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.

## I. PREMIUMS

1. The First Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
  3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
    - a. Paid to us prior to the anniversary date; and
    - b. Determined in accordance with paragraph 2 above.Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.
  4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium.

## J. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

### 1. Applicable to Property coverage:

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

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

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.



**2. Applicable to Liability coverage:**

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. This condition does not apply to Medical Expenses Coverage.

**K. 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 tem-

porary custody of your property will have your rights and duties but only with respect to that property.

**L. REPRESENTATIONS**

By accepting this policy, you agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this policy in reliance upon your representations.

**M. WHEN WE DO NOT RENEW**

If we elect not to renew this policy, we will mail or deliver to the First Named Insured shown in the Declarations written notice of the non-renewal not less than 30 days before the expiration date.

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

**LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT**

**CB-0412(7-02)**

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

The following is added:

This insurance applies only to *bodily injury, property*

*damage, personal and advertising injury* and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

**SCHEDULE**

**Designation of Premises or Project**

13696-13700 FENWICK CIR  
EDEN PRAIRIE MN 55346

13680-13684 FENWICK CIR  
EDEN PRAIRIE MN 55346

13712-13716 FENWICK CIR  
EDEN PRAIRIE MN 55346

13664-13668 FENWICK CIR  
EDEN PRAIRIE MN 55346

13728-13732 FENWICK CIR  
EDEN PRAIRIE MN 55346

13616-13620 FENWICK CIR  
EDEN PRAIRIE MN 55346

13648-13652 FENWICK CIR  
EDEN PRAIRIE MN 55346

13760-13764 FENWICK CIR  
EDEN PRAIRIE MN 55346

13776-13780 FENWICK CIR  
EDEN PRAIRIE MN 55346

13600-13604 FENWICK CIR  
EDEN PRAIRIE MN 55346

13744-13748 FENWICK CIR  
EDEN PRAIRIE MN 55346

13632-13636 FENWICK CIR  
EDEN PRAIRIE MN 55346

## EMPLOYMENT-RELATED PRACTICES EXCLUSION

CB-0417(1-10)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

The following exclusion is added:

1. This insurance does not apply to *bodily injury* or *personal and advertising injury* to:
  - a. 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, discrimination or malicious prosecution directed at that person; or
  - b. The spouse, child, parent, brother or sister of that person as a consequence of *bodily injury* or *personal and advertising injury* to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.
2. The Employment-Related Practices Exclusion applies:
  - a. Whether the injury-causing event described in paragraph (1), (2) or (3) above occurs before employment, during employment or after employment of that person;
  - b. Whether the insured may be liable as an employer or in any other capacity; and
  - c. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)**

CB-0564(1-15)

This endorsement modifies insurance provided under the following:

**BIS-PAK® COVERAGE PART**

A. The Bis-Pak® Property Coverage Form and the Bis-Pak® Business Liability and Medical Expenses Coverage Form are amended as follows:

**1. Applicability Of The Provisions Of This Endorsement**

a. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

(1) The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form; or

(2) A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(a) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(b) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(c) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events

or occurrences under this policy.

b. If the provisions of this endorsement become applicable, such provisions:

(1) Supersede any terrorism endorsement already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to loss or injury or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and

(2) Remain applicable unless we notify you of changes in these provisions, in response to federal law.

c. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism* and/or *other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.

2. The following definition is added and applies under this endorsement wherever the term terrorism is shown in italics.

"Terrorism" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2) It appears that the intent is to intimidate or coerce a government,

or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

**B. The Property Coverage Form is amended as follows:**

**1. The following exclusion is added:**

**EXCLUSION OF TERRORISM**

We will not pay for loss or damage caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

- a. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
- c. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
- e. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of

*terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this Item 1e, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form.

**2. Exception Covering Certain Fire Losses**

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If *terrorism* results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverages or endorsements that apply to those coverages.

**3. Application Of Other Exclusions**

When the Exclusion Of Terrorism applies in accordance with the terms of Paragraph 1a or 1b, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form.

**C. The Business Liability and Medical Expenses Coverage Form is amended as follows:**

**1. The following definition is added and applies under this endorsement wherever the phrase any injury or damage, is shown in italics:**

*Any injury or damage*" means any injury or damage covered under this Coverage Form or any applicable endorsement, and includes but is not limited to *bodily injury, property damage, personal injury, advertising injury or personal and advertising injury*, as may be defined under this Coverage Form or any applicable endorsement.

**2. The following exclusion is added:**

**EXCLUSION OF TERRORISM**

We will not pay for *any injury or damage* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury or damage* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:**

- a. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
- c. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
- e. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered

by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

- f. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - (1) Physical injury that involves a substantial risk of death; or
  - (2) Protracted and obvious physical disfigurement; or
  - (3) Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraph 2e or 2f are exceeded.

With respect to this Exclusion, Paragraphs 2e and 2f describe the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form.

- D. The following provision is added to the Bis-Pak® Property Coverage Form and the Bis-Pak® Business Liability and Medical Expenses Coverage Form:

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

#### SCHEDULE

#### The Exception Covering Certain Fire Losses (Paragraph B2) applies to property located in the following states:

Georgia  
Illinois  
Iowa  
Maine  
Missouri  
Oregon  
Wisconsin

## FUNGI OR BACTERIA EXCLUSION (LIABILITY)

CB-0577(4-10)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

- A. The following exclusion is added to Paragraph 1 under Exclusions:

### **Fungi or Bacteria**

- (1) *Bodily injury, property damage, personal injury or advertising injury* which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any *fungi* or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

- (2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, *fungi* or bacteria, by any insured or by any other person or entity.

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

- B. The following definition is added to Liability and Medical Expenses Definitions:

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

**SNOW PLOW PRODUCTS - COMPLETED OPERATIONS HAZARD  
COVERAGE**

**CB-1416(1-10)**

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

The following exception is added to Exclusion 1g Aircraft, Auto or Watercraft:

This exclusion does not apply to *bodily injury* or *property damage* that:

- (a) Is included in the *products-completed operations hazard*; and
- (b) Arises out of the use of any *auto* for snow or ice removal operations.



**LIMITATIONS ON COVERAGE FOR ROOF SURFACING**

**CB-1481(7-13)**

This endorsement modifies insurance provided under the following:

DELUXE BIS-PAK® PROPERTY COVERAGE FORM

- A. The following provision applies to Property Coverages with respect to the building(s) identified in the Schedule as being subject to this paragraph A:

The following is added to paragraph 5g(3) of the Loss Payment and Valuation Property Loss Condition:

(f) Roof surfacing.

- B. The following provision applies to Property Coverages with respect to the building(s) identified in the Schedule as being subject to this paragraph B:

We will not pay for cosmetic damage to roof

surfacing caused by windstorm or hail. For the purpose of this endorsement, cosmetic damage means that the windstorm or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

- C. For the purpose of this endorsement, roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

**SCHEDULE**

<b>Premises Number</b>	<b>Building Number</b>	<b>Applicable Paragraph</b>
001	001	B
002	001	B
003	001	B
004	001	B
005	001	B
006	001	B
007	001	B
008	001	B
009	001	B
010	001	B
011	001	B
012	001	B

**PRIMARY AND NONCONTRIBUTORY - OTHER INSURANCE CONDITION**

**CB-1488(7-13)**

This endorsement modifies insurance provided under the following:

BIS-PAK® COMMON POLICY CONDITIONS

The following is added to paragraph H Other Insurance of the Bis-Pak® Common Policy Conditions and supersedes any provision to the contrary:

**Primary And Noncontributory Insurance**

This insurance is primary to and will not seek con-

tribution 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.

**EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH LIMITED BODILY INJURY EXCEPTION**

**CB-1504(5-14)**

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

**A.** Exclusion 1s is replaced by the following:

This insurance does not apply to:

**s.** Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

- (1) Damages, other than damages because of *personal and advertising injury*, arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in paragraph (1) or (2) above.

However, unless paragraph (1) above applies, this exclusion does not apply to damages because of *bodily injury*.

As used in this exclusion, electronic data

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

**B.** The following is added to Exclusions 1p:

This insurance does not apply to:

**p.** Personal And Advertising Injury

*Personal and advertising injury:*

Arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

This endorsement modifies insurance provided under the following:

DELUXE BIS-PAK® PROPERTY COVERAGE FORM

**A. The following exclusion is added to **PROPERTY EXCLUSIONS**:**

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 A1 through A3 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**

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. Computer Fraud And Funds Transfer Fraud Endorsement**

The exclusion in Paragraph A does not apply to the Computer Fraud And Funds Transfer Fraud endorsement when attached to your policy.

**4. Electronic Commerce Endorsement**

The exclusion in Paragraph A does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

**5. Information Security Protection Endorsement**

The exclusion in Paragraph A does not apply to the Information Security Protection Endorsement when attached to your policy.

**C. Vandalism**

The following is added to Vandalism:

Vandalism does not include a cyber incident as described in Paragraph A.

**EXCLUSION - PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)**

**CB-1591(10-23)**

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

- A. The following exclusion is added to paragraph 1 under Exclusions:

**Perfluoroalkyl And Polyfluoroalkyl Substances**

1. *Bodily injury, property damage*, which would not have occurred, or *personal and advertising injury* which would not have taken place, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any *perfluoroalkyl or polyfluoroalkyl substances*.
2. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, *perfluoroalkyl or polyfluoroalkyl substances*, by any insured or by any other person or entity.

- B. The following definition is added to the Liability And Medical Expenses Definitions section:

*"Perfluoroalkyl or polyfluoroalkyl substances"*

means any:

1. Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:
    - a. Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;
    - b. Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;
    - c. Perfluoropolyethers (PFPE);
    - d. Fluorotelomer-based substances; or
    - e. Side-chain fluorinated polymers; or
  2. Good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described in paragraph B1.
- C. The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion, do not exclude coverage for perfluoroalkyl and polyfluoroalkyl substances related injury, damage, loss, cost or expense.

## HIRED AUTO AND NONOWNED AUTO LIABILITY

CB-7019(4-10)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

1. Insurance is provided as stated below.

### a. Hired Auto Liability

The insurance provided under the Liability and Medical Expenses Coverages Section, paragraph 1, Business Liability, applies to *bodily injury* or *property damage* arising out of the maintenance or use of a *hired auto* by you or your *employees* in the course of your business.

### b. Nonowned Auto Liability

The insurance provided under the Liability and Medical Expenses Coverages Section, paragraph 1, Business Liability, applies to *bodily injury* or *property damage* arising out of the use of any *nonowned auto* in your business.

2. For insurance provided by this endorsement only:

- a. The exclusions under paragraph 1, Applicable to Business Liability Coverage, other than exclusions a, b, d, f and i and the Nuclear Energy Liability Exclusion, are deleted and replaced by the following:

- (1) *Bodily injury* to:

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

This exclusion applies:

- (a) Whether the insured may be liable as an employer or in any other capacity; and
- (b) To any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to:

- (a) Liability assumed by the insured under an *insured contract*; or
- (b) *Bodily injury* arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided

under any workers' compensation law.

- (2) *Property damage* to:

- (a) Property owned or being transported by, or rented or loaned to the insured; or
- (b) Property in the care, custody or control of the insured.

- b. Who Is an Insured is replaced by the following:

Each of the following is an insured under this endorsement to the extent set forth:

- (1) You for any covered auto.
- (2) Anyone else while using with your permission a covered auto you lease, hire, rent or borrow except:
  - (a) The owner or anyone else from whom you lease, hire, rent or borrow a covered auto. This exception does not apply if the covered auto is a trailer connected to a covered auto you own.
  - (b) Your employee if the covered auto is owned by that employee or a member of his or her household.
  - (c) Someone using a covered auto while he or she is working in an auto business unless that business is yours.
  - (d) Anyone other than your employees, partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower of any of their employees, while moving property to or from a covered auto.
  - (e) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered auto owned by him or her or a member of his or her household.
  - (f) Any person engaged in the business of his or her employer for bodily injury to any co-employee of such person injured in the course of employment or to the spouse, child, parent, brother or sister of that co-employee as a consequence of such bodily injury, or for any obligation to share damages with or repay someone else who must pay damages because of the injury.
- (3) Anyone liable for the conduct of the insured described above but only to the

extent of that liability.

**3.** The following additional definitions apply:

- a.** "*Auto business*" means the business or occupation of selling, repairing, servicing, storing or parking *autos*.
- b.** "*Hired Auto*" means only those *autos* you lease, hire, rent or borrow. This does not include any *auto* you lease, hire, rent or borrow:
  - (1) From any of your *employees*, partners (if you are a partnership), members (if you are a limited liability company) or members of their households; or
  - (2) If the lease or rental agreement involving

that *auto* is for a term of longer than 30 consecutive days.

- c.** "*Nonowned Auto*" means only those *autos* you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes *autos* owned by your employees, partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business.
- 4.** The insurance provided under this endorsement is not subject to item 4, Aggregate Limits, of the Liability and Medical Expenses Limits of Insurance Section.

This endorsement modifies insurance provided under the following:

**BIS-PAK® COVERAGE PART**

1. The Cancellation Bis-Pak® Common Policy Condition is replaced by the following:

**ENDING THIS POLICY**

- a. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by giving written notice to the First Named Insured and any agent. Notice will be delivered by first class mail to the First Named Insured at the last mailing address known to us. Notice of cancellation will state the effective date of cancellation and the policy period will end on that date.
- c. If this policy is a new policy and has been in effect for fewer than 90 days, we may cancel for any reason by giving written notice at least:
  - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- d. If this policy has been in effect for 90 days or more, if it is a renewal of a policy, or if it is a policy issued for a term longer than one year, we may cancel only for one or more of the following reasons:
  - (1) Nonpayment of premium;
  - (2) Misrepresentation or fraud made by you or with your knowledge in obtaining the policy or in pursuing a claim under the policy;
  - (3) Actions by you that substantially increase or change the risk insured;
  - (4) Refusal by you to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed;
  - (5) Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
  - (6) Loss of reinsurance by us which provided coverage to us for a significant amount of the underlying risk insured. A notice of cancellation under this item shall advise you that you have 10 days from the date of receipt of the notice to

appeal the cancellation to the Commissioner of Commerce. The commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal; or

- (7) A determination by the commissioner that the continuation of the policy could place us in violation of the Minnesota insurance laws.
- (8) Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing such insurance. This provision for cancellation for failure to pay dues shall not be applicable to persons who are retired at 62 years of age or older or who are disabled according to social security standards.

If we cancel for nonpayment of premium, we will give notice at least 10 days before the effective date of cancellation. The cancellation notice will contain the information regarding the amount of premium due and the due date and will state the effect of nonpayment by the due date. Cancellation will not be effective if payment of the amount due is made prior to the effective date of cancellation.

If we cancel for other reasons, we will give notice at least 60 days before the effective date of cancellation. The notice of cancellation will state the reason for cancellation.

- e. If the policy is issued for a term longer than one year, we may cancel at anniversary of the effective date by giving notice at least 60 days before the anniversary date. The notice of cancellation will state the reason for cancellation.
  - f. 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 will be computed at 90% of pro rata. The cancellation will be effective even if we have not made or offered a refund.
  - g. Unless otherwise specifically required, proof of mailing of any notice shall be sufficient proof of notice. We may deliver any notice instead of mailing it.
2. The Concealment, Misrepresentation or Fraud Bis-Pak® Common Policy Condition is replaced by the following:

**CONCEALMENT, MISREPRESENTATION OR FRAUD**



a. With respect to loss or damage caused by fire, we do not provide coverage to the insured who has:

- (1) Before a loss, willfully; or
- (2) After a loss, willfully and with intent to defraud;

concealed or misrepresented any material fact or circumstances concerning:

- (1) This Coverage Part;
- (2) The Covered Property;
- (3) That insured's interest in the Covered Property; or
- (4) A claim under this Coverage Part.

b. With respect to loss or damage caused by a covered cause of loss other than fire, we will not pay for any loss or damage if any insured has:

- (1) Before a loss, willfully; or
- (2) After a loss, willfully and with intent to defraud;

concealed or misrepresented any material fact or circumstances concerning:

- (1) This Coverage Part;
- (2) The Covered Property;
- (3) That insured's interest in the Covered Property; or
- (4) A claim under this Coverage Part.

3. The Examination of Your Books and Records Bis-Pak<sup>®</sup> Common Policy Condition is replaced by the following:

#### **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 one year afterward.

4. The Transfer of Rights of Recovery Against Others to Us Bis-Pak<sup>®</sup> Common Policy Condition is replaced by the following:

a. Applicable to the Bis-Pak<sup>®</sup> Property Coverage Form attached to this policy:

- (1) If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. However, our rights do not apply against:
  - (a) An insured; or
  - (b) Any person or organization insured

under another policy which was issued by us and responds to the same loss;

provided the loss was not intentionally caused by such insureds.

(2) You may waive your rights against another party in writing:

- (a) Prior to a loss to your covered property;
- (b) After a loss to your covered property only if, at the time of loss, that party is one of the following:
  - (i) Someone insured by this insurance, unless the loss was caused intentionally by such insured.
  - (ii) A business firm that is either owned or controlled by you, or that owns or controls you.
  - (iii) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

b. Applicable to the Bis-Pak<sup>®</sup> Business Liability and Medical Expenses Coverage Form:

Our rights do not apply against any person or organization insured under this or any other policy we issue with respect to the same *occurrence*, provided such *occurrence* was not intentionally caused by such insureds.

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses coverage.

5. The When We Do Not Renew Bis-Pak<sup>®</sup> Common Policy Condition is replaced by the following:

If we decide not to renew this policy, we may do so by giving the First Named Insured and any agent written notice of our intent not to renew at least 60 days before the expiration date of this policy. Such notice will be delivered or mailed by first class mail to their last mailing address known to us.

We need not mail or deliver this notice if you have:

- a. Insured elsewhere;
- b. Accepted replacement coverage; or

**c. Agreed not to renew this policy.**

Unless otherwise specifically required, proof of mailing of any notice shall be sufficient proof of notice.

**6. The following is added to Covered Causes of Loss in the Bis-Pak® Property Coverage Form:**

We insure for all loss or damage caused by fire or any damage caused by lightning.

**7. The Ordinance or Law exclusion in the Bis-Pak® Property Coverage Form is replaced by the following:**

**Ordinance or Law**

The enforcement of any ordinance or law:

- a.** Regulating the construction, use or repair of any property; or
- b.** Requiring the tearing down of any property, including the cost of removing its debris.

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, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

But if loss or damage is solely a result of one or more Covered Causes of Loss, we will pay for your compliance with such ordinance or law, subject to all other provisions of this policy, including those listed below:

- a.** In the event of a partial loss, if the building is insured under the Replacement Cost Optional Coverage, we will pay for your compliance but only with respect to the damaged portion of the building.
- b.** In the event of a total loss or constructive total loss, we will pay for your compliance with respect to the entire building.
- c.** We will not pay under this provision for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of *pollutants*.
- d.** Any valuation provision (including Replacement Cost) or loss payment condition which excludes the increased cost attributable to an ordinance or law is hereby revised to include such cost to the extent that coverage is provided above in this item 7, but in no event will we pay more than the applicable Limit of Insurance.

**8. The following is added to paragraph 1 of the Property Deductibles Section in the Bis-Pak®**

**Property Coverage Form:**

The Deductible will not apply to the total loss of a building.

**9. Paragraph a of the Mortgageholders Property General Condition is replaced by the following:**

The term "mortgageholder" includes trustees and contract for deed vendors.

**10. Paragraph d of the Mortgageholders Property General Condition is replaced by the following:**

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:

- a.** Pays premium due under this Coverage Part at our request if you have failed to do so;
- b.** Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so.

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

**11. The following paragraph is added to the Mortgageholders condition:**

We will notify the mortgageholder of changes to this policy that result in a substantial reduction of coverage to the mortgaged property.

**12. The Duties in the Event of Loss or Damage Property Loss Condition is amended as follows:**

- a.** The following is added to Paragraph a(2):  
The requirement to notify us can be satisfied by notifying our agent. Notice can be made by any means of communication.
- b.** Paragraph a(3) is deleted.
- c.** Paragraph a(6) is replaced by the following:  
As often as we reasonably require:
  - (a) Permit us to inspect the property. Also, permit us to take samples of damaged property for inspection, testing and analysis.
  - (b) Provide us with records and documents reasonably related to the loss or certified copies if the originals are lost and permit us to make copies.
- d.** Paragraph a(7) is replaced by the following:  
Send us, within 60 days after our request, a signed, sworn proof of loss containing the following information we require to investigate the claim:
  - (a) A description of how and when the loss or damage occurred;
  - (b) The value of the property, except in the case of a total loss of an insured building;

- (c) The interest of the insured and all others in the property; and
- (d) Other insurance which may cover the loss or damage.

We will supply you with the necessary forms.

**e.** The following is added to paragraph a:

Send to us, within a reasonable time after our request, the following:

- (a) Changes in title or occupancy of the property during the term of the policy; and
- (b) Specifications of damaged buildings and detailed repair estimates.

**f.** Paragraph b is replaced by the following:

After we inform an insured:

- (1) Of the right to counsel; and
- (2) That an insured's answers may be used against the insured in later civil or criminal proceedings;

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. In the event of an examination, an insured's answers must be signed.

**13.** Paragraph f of the Loss Payment and Valuation Property Loss Condition is replaced by the following:

Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage within five business days after:

- a.** We have received the statement of loss; and
- b.** We have reached agreement with you or, in the event we use an independent claims adjuster, we have received the agreement and you have satisfied the conditions of the agreement, or an appraisal award has been made.

**14.** If the Declarations indicate that Replacement Cost Coverage applies to business personal property, the following are added to the Loss Payment and Valuation Property Loss Condition and supersede any provision to the contrary:

- a.** We will not pay more for loss or damage to business personal property on a replacement cost basis than the least of:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The applicable Special Limit of Insurance shown in item b below;
  - (3) The cost to replace, on the same prem-

ises, the lost or damaged property with other property of comparable material and quality and used for the same purpose; or

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

**b.** The following Special Limits of Insurance apply to any category of property listed below. These special limits are part of, not in addition to, any Limit of Insurance shown in the Declarations, and apply in excess of any applicable deductible. The Special Limit of Insurance shown for any category listed below is the most we will pay for loss or damage to all property in that category in any one occurrence.

- (1) \$1,000 on used or second-hand merchandise held in storage or for sale;
- (2) \$1,000 on property of others;
- (3) \$1,000 on household contents, except personal property in apartments or rooms furnished by you as landlord;
- (4) \$5,000 on manuscripts but not exceeding \$1,000 on any one manuscript;
- (5) \$5,000 on works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac, but not exceeding \$1,000 on any one article.

However, in no event will we pay you less than we would have paid you if Actual Cash Value was indicated in the Declarations as the basis for valuation of Business Personal Property.

**15.** The following paragraph is added to the Loss Payment and Valuation Property Loss Condition. This paragraph shall supersede any provision to the contrary.

We agree that in the event of a total loss, the Limit of Insurance for a building which is Covered Property represents its value. This also applies if the Blanket Insurance Schedule, CB-7138 is attached.

**16.** Paragraph (8) of the Increased Cost of Construction Additional Coverage is replaced by the following:

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. The coverage afforded under this Additional Coverage does not reduce coverage provided under exceptions to the Ordinance or Law Exclusion as presented in this endorsement.

**17.** Paragraph (9) of the Increased Cost of Construction Additional Coverage does not apply.

18. The Bankruptcy General Condition in the Bis-Pak® Business Liability and Medical Expenses Coverage Form is replaced by the following:

**Bankruptcy**

Bankruptcy, insolvency or dissolution of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part, and in case an execution against the insured on a final judgment is returned unsatisfied, then such judgment creditor shall have a right of action on this Coverage Part against the company to the same extent that the insured would have, had the insured paid the final judgment.

19. Items a and b of the Duties in the Event of Occurrence, Offense, Claim or Suit Liability and Medical Expenses General Condition are amended as follows:
- 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. The requirement to notify us can be satisfied by

notifying our agent. 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 or *suit* is brought against any insured you must:
- (1) Immediately record the specifics of the claim or *suit* and the date it is received; and
  - (2) Notify us as soon as practicable. The requirement to notify us can be satisfied by notifying our agent.

Notice can be made by any means of communication.

This endorsement modifies insurance provided under the following:

**BIS-PAK® COVERAGE PART**

1. The Minnesota Changes form attached to this Coverage Part is amended as follows:

- a. Under item 1, paragraph b of Ending This Policy is replaced by the following:

We may cancel this policy by giving written notice to:

- (1) The First Named Insured and any agent; and
- (2) Each unit-owner and owner of a security interest to whom certificates of insurance were issued.

Notice will be delivered by first class mail at the last mailing address known to us. Notice of cancellation will state the effective date of cancellation and the policy period will end on that date.

- b. Under item 1, paragraph c of Ending This Policy is replaced by the following:

If this policy is a new policy and has been in effect for fewer than 90 days, we may cancel for any reason by mailing or delivering notice at least 60 days before the effective date of cancellation.

- c. Under item 1, the last two paragraphs under item d of Ending This Policy are replaced by the following:

Under this item d, we will mail or deliver notice at least 60 days before the effective date of cancellation. The notice will state the reason for cancellation. If we cancel for nonpayment of premium, the cancellation notice shall contain the information regarding the amount of premium due and the due date, and shall state the effect of nonpayment by the due date. Cancellation shall not be effective if payment of the amount due is made prior to the effective date of cancellation.

2. The following is added to the Transfer of Rights of Recovery Against Others to Us Bis-Pak® Common Policy Condition:

We waive any rights which the Transfer of Rights of Recovery Against Others to Us Condition may give us against:

- a. Any unit-owners, including a declarant and household members;
- b. The Association; and
- c. Members of the board of directors for acts or omissions within the scope of their duties for you.

We reserve the right, however, to recover

against a declarant for liability for acts or omissions as a declarant.

3. Paragraph 1a, Buildings, under the Property Coverages Section of the Bis-Pak® Property Coverage Form is replaced by the following:

**Buildings**, meaning the buildings or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, outside of individual units, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment.
- (4) Personal property owned by you that is used to maintain or service the 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 that are not contained within individual units.
- (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; and
- (6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:
  - (a) Fixtures, improvements and alterations that are a part of the building or structure; and
  - (b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in paragraph (6) above.

4. Paragraph 1b, Business Personal Property, under the Property Coverages Section of the Bis-Pak® Property Coverage Form is replaced by the following:

**Business Personal 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, consisting of the following:

- (1) Personal property owned by you or owned indivisibly by all unit-owners;
- (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others; or
- (3) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.

Business Personal Property does not include personal property owned only by a unit-owner, unless it is in your care, custody or control as covered below.

This also includes similar property of others that is in your care, custody or control, but this property is not covered for more than the amount for which you are legally liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others.

5. Paragraph b of the Mortgageholders Property General Condition of the Bis-Pak<sup>®</sup> Property Coverage Form is replaced by the following:
  - (1) If the condominium is terminated, 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.
  - (2) In all other respects, we will pay for covered loss of, or damage to, buildings or structures to you or the designated insurance trustee in accordance with the Loss Payment and Valuation Property Loss Condition contained in this Coverage Form.
6. Paragraphs f and g of the Mortgageholders Property General Condition of the Bis-Pak<sup>®</sup> Property Coverage Form are replaced by the following:
  - f. If we cancel this policy, we will give written notice to the mortgageholder at least 60 days before the effective date of cancellation.
  - g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 60 days before the expiration date of this policy.
7. The following are added to the Loss Payment and Valuation Property Loss Condition of the Bis-Pak<sup>®</sup> Property Coverage Form:
  - a. If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.
  - b. You may elect not to repair or replace lost or damaged property if:

- (1) The condominium is terminated and the Association votes not to repair or replace all or part of it;
- (2) Repair or replacement would be illegal under any state or local health or safety statute or ordinance; or
- (3) Eighty percent of the unit-owners vote not to rebuild. This includes every unit-owner and first mortgageholder of a unit or assigned limited common element that will not be rebuilt.

8. The following is added to the Property Loss Conditions of the Bis-Pak<sup>®</sup> Property Coverage Form:

#### **Unit-Owner's Insurance**

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

9. The following are added to the Who Is An Insured Section of the Bis-Pak<sup>®</sup> Business Liability and Medical Expenses Coverage Form:
  - a. A declarant, as defined in the Uniform Condominium Act (Minnesota Statute Section 515A.1-103) in the declarant's capacity as a unit-owner, but only with respect to liability arising out of the ownership, existence, use or management of that portion of the premises which is not owned solely by a declarant. However, the insurance afforded with respect to a declarant does not apply to liability for act or omissions as a declarant.
  - b. Each other unit-owner or owner of a security interest, but only with respect to liability arising out of the ownership, existence, use or management of that portion of the premises which is not owned solely by the unit-owner or arising out of the unit-owner's membership in the Association.
  - c. Any agent of yours, and any *employee* or agent of the management agent, while acting within the scope of their duties for you. However, no agent of yours, or agent or *employee* of the management agent is an insured for:
    - (1) *Bodily injury or personal and advertising injury* to you or to a co-*employee* while in the course of his or her employment, or to the spouse, child, parent, brother or sister of that co-*employee* as a consequence of such *bodily injury or personal and advertising injury* or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
    - (2) *Bodily injury or personal and advertising injury* arising out of his or her providing or failing to provide professional health

care services; or

- (3) *Property damage* to property owned or occupied by or rented or loaned to that *employee*, any or your other employees or any of your partners or members (if you are a partnership or joint venture).

**10.** The following Condition is added to the Bis-Pak®

**Common Policy Conditions:**

No act or omission by any unit-owner or owner of a security interest, unless acting within the scope of the unit-owners authority on behalf of the Association, will void this policy or be a condition to recovery under this policy.

**ADDITIONAL INSURED - CONDOMINIUM UNIT-OWNERS**

**CB-7222(11-99)**

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

Who Is an Insured is amended to include as an

insured each individual unit-owner of the insured condominium, but only with respect to liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit-owner's exclusive use or occupancy.



This endorsement modifies insurance provided under the following:

BIS-PAK® COVERAGE PART

The following provisions are added and apply to Property and Liability Coverages if applicable:

**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 infrastruc-

ture and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

- B. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

This endorsement modifies insurance provided under the following:

**BIS-PAK® COVERAGE PART**

The following provisions are added and apply to Property and Liability Coverages if applicable:

**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.

## EXCLUSION - UNMANNED AIRCRAFT

CB-7406(6-15)

This endorsement modifies insurance provided under the following:

BIS-PAK® LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

**A.** Exclusion 1g is replaced by the following:

This insurance does not apply to:

**g. Aircraft, Auto Or Watercraft**

(1) Unmanned Aircraft

*Bodily injury, property damage, or 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 paragraph g(1) 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, property damage, or personal and advertising injury* involved the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*.

This paragraph g(1) 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*.

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

*Bodily injury or property damage* arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than *unmanned aircraft*), *auto* or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and *loading or unloading*.

This paragraph g(2) applies even if the claims 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 (other than *unmanned aircraft*), *auto* or watercraft that is owned or operated by or rented or loaned to any insured.

This paragraph g(2) does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
  - (i) Less than 51 feet long; and
  - (ii) Not being used to carry persons or property for a charge;
- (c) 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;
- (d) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (e) *Bodily injury or property damage* arising out of:
  - (i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
  - (ii) The operation of any of the machinery or equipment listed in paragraph f(2) or f(3) of the definition of *mobile equipment*.

**B.** The following definition is added to the Liability and Medical Expenses 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.

## **CIVIL AUTHORITY CHANGE**

**CB-7410(8-15)**

This endorsement modifies insurance provided under the following:

DELUXE BIS-PAK® PROPERTY COVERAGE FORM

Paragraph 5h(1) Civil Authority under Property Coverages is replaced by the following:

### **h. Civil Authority**

- (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 the area.

## **WINDSTORM OR HAIL - FIXED DOLLAR DEDUCTIBLE**

**CB-7425(9-17)**

This endorsement modifies insurance provided under the following:

DELUXE BIS-PAK® PROPERTY COVERAGE FORM

The second paragraph of item 1 under Property Deductibles is replaced by the following:

- a. The Windstorm or Hail Deductible, as shown in the Declarations, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail.
- b. In the event that loss or damage occurs to Covered Property at one or more building locations as a result of one occurrence, the largest applicable Windstorm or Hail Deductible shown in the Declarations will apply.
- c. If loss or damage to Covered Property in any one occurrence is caused by more than one Covered Cause of Loss, the largest applicable deductible shown in the Declarations will apply.

This endorsement modifies insurance provided under the following:  
 DELUXE BIS-PAK® PROPERTY COVERAGE FORM

**SCHEDULE**

<b>Coverage</b>	<b>Limit of Insurance</b>	<b>Page</b>
Accounts Receivable (On Premises)	\$25,000	10
Attached Outdoor Signs	\$10,000	15
Business Income from Dependent Properties	\$10,000	4
Computer Fraud and Funds Transfer Fraud	\$5,000	10
Cost to Prepare Inventory	\$2,500	5
Debris Removal	\$25,000	3
Electronic Data	\$10,000	4
Employee Dishonesty	\$10,000	16
Fire Department Service Charge (not available in Arizona)	\$10,000	3
Fire Extinguisher Systems Recharge Expense	Actual Loss Sustained	4
Fire Extinguisher Systems Discharge Damage	\$10,000	4
Forgery and Alteration	\$2,500	4
Interruption of Computer Operations	\$10,000	5
Lock Replacement	\$2,500	5
Money and Securities		10
Inside the Premises	\$10,000	
Outside the Premises	\$5,000	
Money Orders and Counterfeit Money	\$5,000	4
Newly Acquired or Constructed Property - Buildings	\$1,000,000	9
Newly Acquired or Constructed Property - Business Personal Property	\$500,000	9
Newly Acquired or Constructed Property - Business Income and Extra Expense	\$100,000	12
Non-owned Detached Trailers	\$5,000	12
Off-premises Electronic Data Storage	\$25,000	12
Off-premises Utility Failure - Direct Damage	\$5,000	6
Off-premises Utility Failure - Time Element	\$5,000	5
Ordinance or Law - Blanket Coverages A, B, and C	\$25,000	6
Outdoor Property	\$10,000	10
Outdoor Signs	\$10,000	15
Pollutant Clean-up and Removal	\$15,000	3
Power Failure and Changes in Temperature or Humidity	\$5,000	13
Property in Transit	\$15,000	9
Property Off-Premises	\$15,000	9
Rewards	\$10,000	8
Sales Representative's Samples	\$15,000	13
Security After Loss	\$10,000	8
Tenant Improvements and Betterments - Ordinance or Law	\$10,000	13
Tenant Leasehold Improvements	\$25,000	15
Tools and Equipment	\$15,000	8
Valuable Papers and Records (On Premises)	\$25,000	10

<b>Additional Included Coverages</b>		
Additional Covered Property Foundations, Underground Pipes, Flues and Drains, Driveways, Patios and Paved Surfaces	<b>Included</b>	3
Business Personal Property Location Extended to 1,000 Feet of Premises	<b>Included</b>	3
Extended Business Income - 30 Days	<b>Included</b>	4
Newly Acquired or Constructed Property - 30 Days of Coverage	<b>Included</b>	9
Preservation of Property - 60 Days of Coverage	<b>Included</b>	3

### A. Attached Outdoor Signs

The following replaces paragraph (3) of paragraph 1a under Property Coverages:

- (3) Fixtures, including outdoor fixtures, and outdoor signs attached to your building;

### B. Additional Covered Property

The following is added to 1a, Buildings, under the Property Coverages section:

1. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - a. The lowest basement floor; or
  - b. The surface of the ground, if there is no basement;
2. Underground pipes, flues and drains; and
3. Driveways, patios, walks and other paved surfaces.

### C. Business Personal Property Location

1. The first paragraph of 1b of Property Coverages is replaced by the following:

**Business Personal Property** located in or on the buildings at the described premises or in the open (or in a vehicle) within 1,000 feet of the described premises, including:

2. The first paragraph of item (3) in g Business Income and Extra Expense under 5 Additional Coverages is replaced by the following:

We will pay necessary Extra Expense you incur during the *period of restoration* that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

- D. The following Additional Coverages are modified:

#### 1. Debris Removal

Paragraph (4) of Debris Removal of 5 Additional Coverages is replaced by the following:

- (4) We will pay up to the Debris Removal Limit of Insurance shown in the Schedule as an additional amount for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

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

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

Therefore, if paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach, but will never exceed, the Limit of Insurance on the Covered Property that has sustained loss or damage, plus the Debris Removal Limit of Insurance shown in the Schedule.

#### 2. Pollutant Clean Up and Removal

The last paragraph of b Pollutant Clean Up and Removal of 5 Additional Coverages is replaced by the following:

The most we will pay under this Additional Coverage for each location is the Pollutant Cleanup and Removal Limit of Insurance shown in the Schedule for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

#### 3. Preservation of Property - 60 Days of Coverage

Paragraph c(2) of c Preservation of Property of 5 Additional Coverages is replaced by the following:

- (2) Only if the loss or damage occurs within 60 days after the property is first moved.

#### 4. Fire Department Service Charge

Paragraph d Fire Department Service Charge of 5 Additional Coverages is replaced by the following:

##### d. 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 the Fire Department Service Charge Limit of Insurance shown in the Schedule for your liability for fire department service charges:

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

This Additional Coverage supersedes



any other provision providing coverage for Fire Department Service Charge in this policy.

This Additional Coverage does not apply in Arizona.

#### **5. Extended Business Income - 30 Days**

Paragraph (6)(b)(ii) of g Business Income and Extra Expense of 5 Additional Coverages is replaced by the following:

- (ii) The total number of days for Extended Business Income shown in the Schedule of this endorsement plus the number of days shown in the Schedule on CB-7135 if that endorsement is attached to your policy.

#### **6. Money Orders and Counterfeit Money**

The following replaces the last paragraph of i Money Orders and Counterfeit Money of 5 Additional Coverages:

The most we will pay for any loss under this Additional Coverage is the Money Orders and Counterfeit Money Limit of Insurance shown in the Schedule.

#### **7. Forgery and Alteration**

Paragraph (4) of j Forgery and Alteration of 5 Additional Coverages is replaced by the following:

- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is the sum of:
  - (a) The Forgery and Alteration Limit of Insurance shown in the Schedule; and
  - (b) The Forgery and Alteration Limit of Insurance, if any, shown in the Declarations.

#### **8. Business Income from Dependent Properties**

The last paragraph of item (1) of l Business Income From Dependent Properties of 5 Additional Coverages is replaced by:

The most we will pay under this Additional Coverage is the sum of:

- (a) The Business Income from Dependent Properties Limit of Insurance shown in the Schedule; and
- (b) The greater of:
  - (1) The Business Income from Dependent Properties Limit of Insurance, if any, shown in the Declarations; or
  - (2) The Limit of Insurance referred to in CB-7370, if applicable.

#### **9. Fire Extinguisher Systems Recharge Expense**

- a. Paragraph (1)(a) of n Fire Extinguisher Systems Recharge Expense of 5 Additional Coverages is replaced by the following:

- (a) The actual cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises; and

- b. Paragraph (3) of n Fire Extinguisher Systems Recharge Expense of 5 Additional Coverages is deleted.

#### **10. Fire Extinguisher Systems Discharge Damage**

- a. Paragraph (1)(b) of n Fire Extinguisher Systems Recharge Expense of 5 Additional Coverages is replaced by the following:

- (b) For the loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguish system up to the Fire Extinguisher Systems Discharge Damage Limit of Insurance shown in the Schedule.

- b. Paragraph (3) of n Fire Extinguisher Systems Recharge Expense of 5 Additional Coverages is deleted.

#### **11. Water Backup of Sewers or Drains - Computers**

The following is added to o Water Backup of Sewers or Drains - Computers of 5 Additional Coverages:

- (3) The following definition is added to Property Definitions:

*"Electronic media and records"* means videos, audio records and pictures stored on computer hardware that you own and that is at the described location. Computer hardware, as used above, means any internal or external memory card or device. *Electronic media and records* does not include *electronic data*.

#### **12. Electronic Data**

Paragraph (3) of p Electronic Data of 5 Additional Coverages is replaced by the following:

- (3) (a) The most we will pay under this Additional Coverage - Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises,

locations or computer systems involved, is the sum of:

- i. The Electronic Data Coverage Limit of Insurance shown in the Schedule; and
  - ii. The Electronic Data Coverage Limit of Insurance, if any, shown in the Declarations.
- (b) 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.

### 13. Interruption of Computer Operations

Paragraph q(3) of 5 Additional Coverages is replaced by the following:

- (3) The most we will pay under this Additional Coverage - Interruption of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is the sum of:
- (a) The Interruption of Computer Operations Limit of Insurance shown in the Schedule; and
  - (b) The Interruption of Computer Operations Limit of Insurance, if any, shown in the Declarations.

If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

E. The following Additional Coverages are added:

#### 1. Cost to Prepare Inventory

We will pay reasonable expenses, for the taking of inventory and appraisals, incurred

by you at our request to assist us in the determination of the amount of a covered loss.

We do not pay for:

- a. Any expense incurred under the Property Loss Conditions, Appraisals; or
- b. Any public adjusters' fees.

The most that we will pay under this Additional Coverage is the Cost to Prepare Inventory Limit of Insurance shown in the Schedule.

#### 2. Lock Replacement

We will cover your costs to repair or replace door locks or tumblers at your described premises, because of theft or loss of your door keys. The most we will pay under this Additional Coverage in any one occurrence is the Lock Replacement Limit of Insurance shown in the Schedule.

No deductible applies to this Additional Coverage.

#### 3. Off-Premises Utility Failure

##### a. Time Element

- (1) We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of utility services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises.

##### (a) Water Supply Services

Pumping stations and water mains supplying water to the described premises.

##### (b) Communication Supply Services

Property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- (i) Communication transmission lines, including optic fiber transmission lines;
- (ii) Coaxial cables; and
- (iii) Microwave radio relays except satellites.

##### (c) Power Supply Services

- (i) Utility generating plants;
- (ii) Switching stations;
- (iii) Substations;
- (iv) Transformers; and

- (v) Transmission lines; supplying electricity, steam or gas to the described premises.
- (2) Coverage under this endorsement does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss of damage to *electronic data*, including destruction or corruption of *electronic data*.
- (3) The most we will pay under this Additional Coverage is the Off-Premises Utility Failure - Time Element Limit of Insurance shown in the Schedule.

**b. Direct Damage**

- (1) We will pay for loss of or damage to Covered Property caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described in paragraph (3), below.
- (2) 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*.
- (3) Utility Services
  - (a) "Water supply services," meaning the following types of property supplying water to the described premises:
    - (i) Pumping stations; and
    - (ii) Water mains.
  - (b) "Communication supply services," meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
    - (i) Communication transmission lines, including optic fiber transmission lines;
    - (ii) Coaxial cables; and
    - (iii) Microwave radio relays except satellites.
  - (c) "Power supply services," meaning the following types of property supplying electricity, steam or gas to the described premises:
    - (i) Utility generating plants;

- (ii) Switching stations;
- (iii) Substations;
- (iv) Transformers; and
- (v) Transmission lines.

- (4) The most we will pay under this Additional Coverage for all utility service direct damage loss for any one premises is the Off-Premises Utility Failure - Direct Damage Limit of Insurance shown in the Schedule.

c. Exclusion e Utility Services in Property Exclusions does not apply to this Additional Coverage.

**4. Ordinance or Law - Blanket Coverages A, B, and C**

**a. Application of Coverage**

The Ordinance or Law Coverage applies only if both a(1) and a(2) are satisfied.

- (1) The ordinance or law:
  - (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
  - (b) Is in force at the time of loss.

But coverage 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.
- (2) The building sustains direct physical damage:
  - (a) That is covered under this policy and such damage results in enforcement of the ordinance or law; or
  - (b) That is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
  - (c) But if the damage is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
- (3) (a) In the situation described in a(2)(b) above, we will not pay the full amount of loss otherwise payable under the terms of Coverage A, Coverage B or Coverage 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.

- (b) However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under terms of Coverage A, Coverage B or Coverage C of this endorsement.

**b. We will not pay under Coverage A, Coverage B or Coverage C for:**

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

**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 enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

- (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 enforcement of an ordinance or law that requires demolition of such undamaged property.

- (3) Coverage C - Increased Cost of Construction Coverage

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

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

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

- (b) However:

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

**d. Coverage Amounts and Loss Payments**

- (1) Ordinance or Law Coverage Amount

The most we will pay under this Additional Coverage, for the total of all covered loss for Coverage A, Coverage B, and Coverage C combined is the Ordinance or Law Limit of Insurance shown in the Schedule. This blanket coverage amount applies separately to each building described in the Declarations. This coverage amount does not include loss due to green ordinance or law requirements.

- (2) Subject to the coverage amount in (1) above, the following loss payment provisions apply:

- (a) 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:

- (i) If the property is repaired or replaced, on the same or another premises we will not pay more than the amount you actually spend to repair,

rebuild or reconstruct the building but not for more than the amount it would cost to restore the building on the same premises and of the same heights, floor area, style and comparable quality of the original property insured; or

- (ii) If the property is not repaired or replaced, we will not pay more than the actual cash value of the building at the time of loss.
- (b) Under Coverage B, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (c) With respect to Coverage C:
  - (i) We will not pay under Coverage C:
    - I. Until the property is actually repaired or replaced, at the same or another premises; and
    - II. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (ii) 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 increased cost of construction at the same premises.
  - (iii) If the ordinance or law requires relocation to another premises, the most we will pay for under Coverage C is the increased cost of construction at the new premises.
- e. Under this coverage, we will not pay for loss due to any ordinance or law that:
  - (1) You were required to comply with before the loss, even if the building was undamaged; and
  - (2) You failed to comply with.
- f. No deductible applies to this Additional Coverage.

g. Item g of Property Loss Condition 5, Loss Payment and Valuation, does not apply to this Additional Coverage.

h. Exclusion 1a Ordinance or Law is deleted to the extent loss or damage resulting from enforcement of an ordinance or law is provided under this Additional Coverage.

## 5. Rewards

We will pay to any individual or organization for information leading to a criminal conviction in connection with loss or damage to covered property caused by or resulting from a Covered Cause of Loss.

The most that we will pay under this Additional Coverage is the Rewards Limit of Insurance shown in the Schedule regardless of the number of persons or organizations involved in providing information.

No deductible applies to this Additional Coverage.

## 6. Security After Loss

We will pay for the cost of a security service approved by us that is used to protect Covered Property at the described premises, after a covered loss, if we determine it is necessary. The most that we will pay under this Additional Coverage is the Security After Loss Limit of Insurance shown in the Schedule.

## 7. Tools and Equipment

We will pay for direct physical loss of or damage to covered Tools and Equipment caused by or resulting from a Covered Cause of Loss. For the purposes of this Additional Coverage, covered Tools and Equipment are:

- a. Owned by you;
- b. Rented or leased to you or on your behalf if in your care, custody or control and used in your business;
- c. Borrowed by you or on your behalf while in your care, custody or control and used in your business; and
- d. Owned by your employees, but only while being used in connection with your business or in your care, custody or control.

We will determine the value of covered Tools and Equipment at the cost of replacement as of the time of loss or damage.

The most we will pay under this Additional Coverage is the Tools and Equipment Limit of Insurance shown in the Schedule.

The limitation for Business Personal

Property located within 1,000 feet of the described premises in paragraph C1 of this endorsement does not apply to this Additional Coverage.

- F. The second paragraph of the Property Extensions of Coverage Section is replaced by the following:

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 1,000 feet of the described premises.

- G. The following Property Extensions of Coverage are modified:

**1. Newly Acquired or Constructed Property - Buildings**

The last paragraph of Item a, Buildings, of 1 Newly Acquired or Constructed Property of Property Extensions of Coverage is replaced by the following:

The most we will pay under this Extension of Coverage for loss or damage for each building is the Newly Acquired or Constructed Property - Buildings Limit of Insurance shown in the Schedule.

**2. Newly Acquired or Constructed Property - Business Personal Property**

The last paragraph of b, Business Personal Property, of 1 Newly Acquired or Constructed Property of Property Extension of Coverage is replaced by the following:

The most we will pay under this Extension of Coverage for loss or damage at each building is the Newly Acquired or Constructed Property - Business Personal Property Limit of Insurance shown in the Schedule.

**3. Newly Acquired or Constructed Property - 30 Days of Coverage**

The following replaces paragraph c(2), Period of Coverage, of 1 Newly Acquired or Constructed Property of Property Extensions of Coverage:

(2) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

**4. Personal Effects and Property of Others**

The following is added to paragraph b of 2 Personal Effects and Property of Others of Property Extensions of Coverage:

This Extension does not apply to loss or damage to or to theft of tools or equipment used in your business.

**5. Property Off-Premises**

Item 3 Property Off-Premises of Property

Extensions of Coverage is replaced by the following:

**3. Property Off-Premises**

- a. You may extend the insurance provided by this policy to apply to your Covered Property, other than *money and securities, valuable papers and records*, accounts receivable, sales representative's samples (as described in paragraph H6 of this endorsement) or *computers*, while it is in the course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay under this Extension of Coverage for loss or damage under this extension is the Property Off-Premises Limit of Insurance shown in the Schedule. This extension does not apply to Covered Property in or on a vehicle.
- b. However, under this extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit shown in the Declarations.
- c. This extension does not apply to any tools or equipment used in your business. Tools or equipment, as used above, does not include *computers*.
- d. This Extension does not apply to Business Personal Property for which any payments have been made under the Deferred Payments Additional Coverage.

**6. Property in Transit**

Item 4 Property in Transit of Property Extensions of Coverage is replaced by the following:

**4. Property in Transit**

- a. You may extend the insurance that applies to Business Personal Property, other than *computers*, to apply to your personal property 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. The most we will pay under this Extension of Coverage for loss or damage under this extension is the Property in Transit Limit of Insurance shown in the Schedule. However, under this extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit

shown in the Declarations.

- c. This Extension does not apply to Business Personal Property for which any payments have been made under the Deferred Payments Additional Coverage.

#### 7. Outdoor Property

The last paragraph in 5 Outdoor Property, Property Extensions of Coverage, is replaced by the following:

The most we will pay under this Extension of Coverage for loss or damage is the Outdoor Property Limit of Insurance shown in the Schedule, but not more than \$1,000 for any one tree, shrub or plant.

#### 8. Valuable Papers and Records (On Premises)

The first paragraph of Item c of 6 Valuable Papers and Records of Property Extensions of Coverage is replaced by the following:

The most we will pay under this Extension of Coverage for loss or damage to *valuable papers and records* in any one occurrence at the described premises is the sum of:

- a. The Valuable Papers and Records Limit of Insurance shown in the Schedule; and
- b. The Valuable Papers and Records Limit of Insurance, if any, shown in the Declarations.

#### 9. Accounts Receivable (On Premises)

The first paragraph of Item b of 7 Accounts Receivable of Property Extensions of Coverage is replaced by the following:

The most we will pay under this Extension of Coverage for loss or damage in any one occurrence at the described premises is the sum of:

- (1) The Accounts Receivable Limit of Insurance shown in the Schedule; and
- (2) The Accounts Receivable Limit of Insurance, if any, shown in the Declarations.

#### 10. Money and Securities

Paragraph c of 8 Money and Securities of Property Extensions of Coverage is replaced by the following:

- c. The most we will pay for loss in any once occurrence is:
  - (1) The sum of:
    - (a) The Money and Securities Inside the Premises Limit of Insurance shown in the Schedule; and
    - (b) The Money and Securities Inside the Premises Limit of Insurance, if any, shown in the Declarations;

for *money* and *securities* in or on the described premises, or within a bank or savings institution; and

- (2) The sum of:
  - (a) The Money and Securities Outside the Premises Limit of Insurance shown in the Schedule; and
  - (b) The Money and Securities Outside the Premises Limit of Insurance, if any, shown in the Declarations;for *money* and *securities* anywhere else

H. The following Property Extensions of Coverage are added:

#### 1. Computer Fraud and Funds Transfer Fraud

a. We will pay under this Extension of Coverage no more than the Computer Fraud and Funds Transfer Fraud Limit of Insurance shown in the Schedule for the total of:

- (1) Loss of and damage to *money, securities* and *other property* following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:
  - (a) To a person (other than a messenger) outside those premises; or
  - (b) To a place outside those premises; and
- (2) Loss of *money* and *securities* resulting directly from a *fraudulent instruction* directing a financial institution to transfer, pay or deliver *money* and *securities* from your *transfer account*.

b. With respect to the coverage provided by this Extension, item 4 Limitations under Property Coverages is amended as follows:

Paragraph a(4) does not apply.

c. With respect to the coverage provided by this Extension, Property Exclusions is amended as follows:

- (1) Paragraph 2g False Pretense does not apply.
- (2) The following exclusion is added:

We will not pay for loss or damages caused by or 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.

d. For purposes of this coverage, the following terms mean:

(1) "Employee"

(a) "Employee" means:

(i) Any natural person:

- I. While in your service or for 30 days after termination of service;
- II. Whom you compensate directly by salary, wages or commissions; and
- III. Whom you have the right to direct and control while performing services for you;

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

- I. To substitute for a permanent *employee* as defined in paragraph (1), who is on leave; or
- II. To meet seasonal or short term workload conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;

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

(iv) Any natural person who is:

- I. A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s)" insured under this policy; and
- II. Your director or trustee while that person is handling "funds" or *other property* of any "employee

benefit plan(s)" insured under this policy;

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

(vi) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the premises.

(b) Employee does not mean:

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

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

(2) "Fraudulent instruction" means:

(a) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

(b) A written instruction (other than those described in paragraph 5j) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

(c) An electronic, telegraphic, cable, teletype, telefacsimile or telephone or written instruction (other than those described in paragraph 5j) initially received by you which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent.

(3) "Other property" means any tangible



property other than *money* and *securities* that has intrinsic value but does not include any property excluded under this policy.

(4) "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of *money* and *securities*:

(a) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or

(b) By means of written instructions (other than those described in paragraph 5j) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

## 2. Newly Acquired or Constructed Property - Business Income and Extra Expense

a. We will pay for loss you sustain due to the necessary *suspension* of your *operations* during the *period of restoration* for direct physical damage caused by a Covered Cause of Loss to a *newly acquired* premises.

b. The most that we will pay under this Extension of Coverage at each *newly acquired* premises as the result of any one occurrence is the lesser of:

(1) The Newly Acquired or Constructed Property - Business Income and Extra Expense Limit of Insurance shown in the Schedule; or

(2) The sum of the Business Income you lost and Extra Expense you incurred.

c. Insurance under this Extension of Coverage for each *newly acquired* premises will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you acquire or begin to construct the property;

(3) You report the location to us; or

(4) Coverage for Business Income at the *newly acquired* premises is more specifically insured.

d. For purposes of this Extension of Coverage:

(1) The phrase "at the described premises" as used in the definitions

of *operations* and *suspension*, is deleted and replaced by the phrase at a *newly acquired* premises.

(2) The following definitions apply:

(a) "*Newly acquired*" means obtaining lawful ownership or possession of the premises, whether by purchase, lease, or otherwise.

(b) "*Suspension*" means the slowdown or cessation of your business activities.

(3) In the definition of *period of restoration*, the loss must be at the *newly acquired* premises.

## 3. Non-owned Detached Trailers

a. 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:

(1) The trailer is used in your business;

(2) The trailer is in your care, custody or control at the described premises; and

(3) You have a contractual responsibility to pay for loss or damage to the trailer.

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

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

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

c. The most we will pay under this Extension of Coverage for loss or damage is the Non-owned Detached Trailers Limit of Insurance shown in the Schedule.

## 4. Off-premises Electronic Data Storage

You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to duplicate and back-up *electronic data* which are stored at a premises where you do not conduct *operations* with the *electronic data* and which is not covered under any other coverage form. The most we pay under this Extension of Coverage for loss to *electronic data* at any one storage location is the Off-Premises

Electronic Data Storage Limit of Insurance shown in the Schedule.

**5. Power Failure and Changes in Temperature or Humidity**

- a. You may extend the insurance that applies to your Business Personal Property to pay for loss or damage to that property that results from an interruption of power or a change in temperature or humidity caused by physical damage to equipment used for refrigerating, air conditioning, cooling, dehumidifying, heating, generating or converting power (including connections, supply or transmission lines and pipes), at the described premises. This extension applies only if loss or damage is caused by a Covered Cause of Loss.
- b. The most we will pay under this Extension of Coverage is the Power Failure and Changes in Temperature or Humidity Limit of Insurance shown in the Schedule.

**6. Sales Representative's Samples**

- a. You may extend the insurance that applies to your Business Personal Property to pay for direct physical loss of or damage to samples of your *stock* in trade (including containers) and similar property of others.
- b. We cover samples of your *stock* in trade while the property is:
  - (1) In the custody of your sales representatives and agents;
  - (2) In your custody while acting as a sales representative; or
  - (3) In transit between your premises described in the declarations and your sales representatives.
- c. The loss or damage must result from a Covered Cause of Loss.
- d. The most we will pay under this Extension of Coverage is the Sales Representative's Samples Limit of Insurance shown in the Schedule.

**7. Tenant Improvements and Betterments - Ordinance or Law**

- a. Application of Coverage  
The coverage provided applies only if both (1) and (2) are satisfied.
  - (1) The ordinance or law:
    - (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(b) Is in force at the time of loss.

But coverage 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.

- (2) (a) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of 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 the building damage in its entirety results in enforcement of the ordinance or law.

But 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, then there is no coverage even if the building has also sustained covered direct physical damage.

- b. We will not pay under Coverage A, Coverage B or Coverage C for:
  - (1) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by *pollutants* or due to the presence, growth, or proliferation, spread of any activity of *fungi*, wet or dry rot or bacteria; or
  - (2) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of *pollutants*, *fungi*, wet or dry rot or bacteria.
- c. Under this coverage, we will not pay for loss due to any ordinance or law that:
  - (1) You were required to comply with before the loss, even if the building was undamaged; and
  - (2) You failed to comply.
- d. Coverage
  - (1) Coverage A - Coverage for Loss to the Undamaged Portion of Tenant's Improvements and Betterments

We will pay under Coverage A for the loss in value of the undamaged portion of the improvements and betterments when:

- (a) The improvements and betterments are damaged and the ordinance or law requires demolition of the undamaged parts of such property; or
- (b) The undamaged improvements and betterments, or undamaged parts of the improvements and betterments, are demolished or damaged in the course of demolition or repair of the building or part of the building where such property is located, as a consequence of the ordinance or law. But we will not pay under Coverage A for undamaged improvements and betterments that could be removed from the building, without incurring damage to such improvements and betterments, prior to demolition or repair of the building.

(2) Coverage B - Demolition Cost Coverage

We will pay the cost to demolish and clear the site of undamaged parts of the improvements and betterments, provided that such cost is distinguishable from the cost of demolishing the building and you are responsible for the cost of demolition of the improvements and betterments, and further provided that:

- (a) The improvements and betterments are damaged and the ordinance or law requires demolition of the undamaged parts of such property; or
- (b) The undamaged improvements and betterments, or undamaged parts of the improvements and betterments, are demolished or damaged in the course of demolition or repair of the building or part of the building where such property is located, as a consequence of the ordinance or law. But we will not pay under Coverage B for demolition of undamaged improvements and betterments that could be removed from the building, without incurring

damage to such improvements and betterments, prior to demolition or repair of the building.

(3) Coverage C - Increased Cost of Construction Coverage

- (a) We will pay the increased cost to:
  - (i) Repair or reconstruct damaged portions of the improvements and betterments; and/or
  - (ii) Reconstruct or remodel undamaged portions of the improvements and betterments, 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.

- (b) However:
  - (i) This coverage applies only if the restored or remodeled property is intended for similar use as the current property, unless such use is not permitted by the ordinance or law.
  - (ii) We will not pay for the increased cost of construction if the improvements and betterments are not repaired, reconstructed or remodeled.

e. Loss Payment

The most we will pay under this Extension of Coverage, for the total of all covered loss for Coverage A, Coverage B and Coverage C combined is the Ordinance or Law - Tenants Improvements and Betterments Limit of Insurance shown in the Schedule. One limit applies to all covered loss to all improvements and betterments at each described premises. Subject to the Limit of Insurance, the following loss payment provisions apply:

- (1) We will not pay under Ordinance or Law Coverage for Tenant's Interest in Improvements and Betterments if others pay for loss or damage to improvements and betterments.
- (2) When there is a loss in value of an undamaged portion of improvements and betterments to which Coverage A applies, the loss payment for that property, including damaged and

undamaged portions, will be determined as follows:

- (a) If the Replacement Cost Coverage Option applies and the improvements and betterments are being repaired or replaced, on the same or another premises, we will not pay more than the amount you would actually spend to repair, rebuild or reconstruct such property, but not for more than the amount it would cost to restore the property on the same premises and to the same dimensions, style and comparable quality of the original property insured.
  - (b) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the actual cash value of the Improvements and Betterments at the time of loss.
- (3) Under Coverage B, we will not pay more than the amount you actually spend for demolishing the improvements and betterments and clearing the demolished property from the described premises.
- (4) Under Coverage C:
- (a) We will not pay under Coverage C:
    - (i) Until the improvements and betterments are actually repaired or replaced, at the same or another premises; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If the improvements and betterments are 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 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 under

Coverage C, is the increased cost of construction of the improvements and betterments at the new premises.

## **8. Tenant Leasehold Improvements**

- a. We will pay for the unamortized value of the Tenants Improvements and Betterments that you were forced to abandon if your lease is cancelled in accordance with a valid lease provision.
- b. Such cancellation must be the result of direct physical loss or damage caused by or resulting from a Covered Cause of Loss to property where you were:
  - (1) A tenant; and
  - (2) Occupying and conducting business at the time of loss.
- c. The most we will pay under this Extension of Coverage for loss in any one occurrence is the Tenant Leasehold Improvements Limit of Insurance shown in the Schedule.
- d. Tenants Improvements and Betterments include leased personal property for which you have a contractual responsibility to insure, unless otherwise insured. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.
- e. Building glass not otherwise insured is a Tenant Improvement and Betterment if you are contractually required to insure it under a written lease agreement.

### **I. Attached Outdoor Signs**

Paragraph 2 of Property Limits of Insurance is replaced by the following:

2. The most we will pay for loss of or damage to outdoor signs attached to buildings in any one occurrence is the Attached Outdoor Signs Limit of Insurance shown in the Schedule.

### **J. The following Property Optional Coverages are modified:**

#### **1. Outdoor Signs**

The Outdoor Signs Optional Coverage applies to your policy.

- a. The following replaces paragraph d in Outdoor Signs optional coverage:
  - d. The most we will pay under this Optional Coverage for loss or damage in any one occurrence is the sum of:
    - (1) The Outdoor Signs Limit of Insurance shown in the Schedule;

and

(2) The Outdoor Signs Limit of Insurance, if any, shown in the Declarations.

**b.** The following is added to the Outdoor Signs optional coverage:

The Outdoor Signs optional coverage does not apply to signs attached to buildings.

**2. Employee Dishonesty**

The Employee Dishonesty Optional Coverage applies to your policy.

Paragraph c in 2 Employee Dishonesty in Property Optional Coverages is replaced by the following:

**c.** The most we will pay under this Optional

Coverage for loss or damage in any one occurrence is the sum of:

(1) The Employee Dishonesty Limit of Insurance shown in the Schedule; and

(2) The Employee Dishonesty Limit of Insurance, if any, shown in the Declarations.

**K. Premises**

For purposes of coverages provided by or modified by this endorsement, "each premises" and "described premises" include your premises covered as a newly acquired location under Newly Acquired or Constructed Property in Property Extensions of Coverage.

This endorsement modifies insurance provided under the following:  
**BIS-PAK<sup>®</sup> BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM**

**SCHEDULE**

Coverage	Limit of Insurance	Page
Increased Bail Bond Limit	\$1,000	1
Supplemental Reasonable Expenses	\$300 per day	1
<b>Additional Included Coverages</b>		
Automatic Status Additional Insured - Mortgagee, Assignee, or Receiver	Included	2
Automatic Status Additional Insured - State or Government Agency or Subdivision	Included	2
Bodily Injury Expanded Definition	Included	3
Damage to Premises Rented to You Broadening	Included	3
First Aid/Good Samaritan Coverage	Included	1
Knowledge by an Employee	Included	3
Newly Acquired Organizations - up to 180 days	Included	3

**A. Increased Bail Bond Limit**

Paragraph 1f(1)(b) under Liability and Medical Expenses Coverages is replaced by the following:

(b) Up to the Increased Bail Bond Limit of Insurance shown in the Schedule for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for *bodily injury* applies. We do not have to furnish these bonds.

**B. Supplemental Reasonable Expenses Incurred by Insured**

Paragraph 1f(1)(d) under Liability and Medical Expenses Coverages is replaced by the following:

(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 the Supplemental Reasonable Expenses Limit of Insurance shown in the Schedule because of time off from work.

**C. First Aid/Good Samaritan Coverage**

The Following is added to Liability and Medical Expenses Coverage:

1. For purposes of this coverage, the definition of *occurrence* in Definitions is replaced by the following:

"*Occurrence*" means an act or omission by your *employee* in providing or failing to provide *first aid services* provided:

- a. Neither you nor the *employee* are employed to provide any type of *first aid services* or *medical services*.
- b. The *first aid services* were provided while the *employee* was engaged in activities related to the scope and extent of their employment by you.

2. The following is added to paragraph 2 of Liability and Medical Expenses Limits of Insurance:

c. For the purposes of determining the applicable Each Occurrence Limit, all acts or omissions committed by one or more persons in providing or failing to

provide *first aid services* to one person will be deemed to be one occurrence.

3. The following definitions are added to Definitions:

*"First aid services"* means *medical services* provided when no *professional medical service provider* (whether licensed or not) is present and without the immediate provision of which would have immediately resulted in death or significant adverse result from a serious injury or serious condition of the recipient of those services.

*"Medical services"* includes all medical and medically-related services.

*"Professional medical services provider"* means anyone who is employed to provide *medical services* or *first aid services*.

#### **D. Automatic Status Additional Insured - Mortgagee, Assignee, or Receiver**

1. Who Is An Insured is amended to include any person(s) or organization(s) with respect to that person(s) or organization(s) liability as mortgagee, assignee or receiver, but only when you and such person(s) or organization(s) have agreed in writing in a contract or agreement that such person(s) or organization(s) be added as an additional insured on your policy provided that a certificate of insurance showing that person or organization as an additional insured has been issued.

However:

- a. Such person(s) or organization(s) are additional insureds only with respect to liability as mortgagee, assignee or receiver and arising out of the ownership, maintenance or use of premises by you and which is covered by this policy; and
  - b. The insurance afforded to such additional insured only applies to the extent permitted by law; and
  - c. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.
2. With respect to the insurance afforded to these additional insureds this insurance does not apply to structural alterations, new construction or demolition operations performed by or for that person(s) or organization(s).
  3. With respect to the insurance afforded to these additional insureds, the following is added to the Liability and Medical Expenses

Limits of Insurance section:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
  - b. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

#### **E. Automatic Status Additional Insured - State or Government Agency or Subdivision**

1. Who Is An Insured is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision, but only when you and such state or governmental agency or subdivision or political subdivision have agreed in writing in a contract or agreement that such state or governmental agency or subdivision or political subdivision be added as an additional insured on your policy, subject to the following provisions, provided that a certificate of insurance showing that person or organization as an additional insured has been issued.

- a. This insurance applies only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization.

However:

- (1) The insurance afforded to such additional insured only applies to the extent permitted by law; and
- (2) If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

- b. This insurance does not apply to:

- (1) *Bodily injury, property damage, or personal and advertising injury* arising out of operations performed for the federal government, state or municipality; or
- (2) *Bodily injury or property damage* included within the *products-completed operations hazard*.

2. With respect to the insurance afforded to these additional insureds, the following is added to the Liability and Medical Expenses Limits of Insurance section:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
- b. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

#### **F. Newly Acquired Organizations**

Paragraph 3a under Who Is An Insured is replaced by the following:

- a. Coverage under this provision is afforded only:
  - (1) For the number of days for the Newly Acquired Organizations as shown in the Schedule after you acquire or form the organization; or
  - (2) Until the end of the policy period, whichever is earlier;

#### **G. Paragraph 3 of Liability and Medical Expenses Limits of Insurance is replaced by the following:**

3. The most we will pay under Business

Liability Coverage for damages because of *property damage* to a premises while rented to you or in the case of a fire, lightning, explosion, smoke or water while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You Limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the Damage To Premises Rented To You Limit shown in the Declarations.

#### **H. Knowledge of Claim or Suit**

The following is added to the Duties in the Event of Occurrence, Offense, Claim or Suit Condition in Liability and Medical Expenses General Conditions:

Knowledge of an *occurrence*, offense, claim or *suit* by an agent or *employee* of any insured shall not in itself constitute knowledge of the insured unless your partners, *executive officers*, directors, managers, members or a person who has been designated by them to receive reports of *occurrences*, offenses, claims or *suits* shall have received such notice from the agent or *employee*.

#### **I. Bodily Injury Definition Expanded**

The definition of *bodily injury* is amended to include mental distress and mental injury, including but not limited to mental anguish and emotional anguish.



## ASBESTOS EXCLUSION

IL-7012(1-18)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSE COVERAGE FORM  
COMMERCIAL AUTO COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS COVERAGE PART  
GARAGE COVERAGE FORM  
LIQUOR LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM  
POLLUTION LIABILITY COVERAGE FORM  
PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM  
RESIDENTIAL CARE FACILITY LIABILITY COVERAGE PART

The following exclusion is added:

### **Asbestos**

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

**MINNESOTA FIRE INSURANCE SURCHARGE**

**IL-7076(5-07)**

This endorsement modifies insurance provided under the following:

BIS-PAK® COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

The premium surcharge required by the State of Minnesota to fund the Fire Safety Account is included in the Total Advance Premium shown in the Declarations.

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.

**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 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 of that

portion of the amount of such insured losses that exceeds the applicable insurer retention. The federal share percentage is 80%. 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.

Throughout this Coverage Endorsement (hereinafter referred to as "Cyber Coverage"), the words "you" and "your" refer to the Named Insured(s) shown in the Schedule of this Cyber Coverage 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 italics have special meaning. Refer to **DEFINITIONS**.

The terms and conditions of the Cancellation Clause of the Common Policy Conditions and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this Cyber Coverage, unless specifically stated otherwise in an endorsement(s) attached hereto.

## A. COVERAGE

This section lists the coverages that apply if indicated in the Schedule of this Cyber Coverage.

### 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 in no event 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) PCI Fines and Penalties**

We will pay for any Payment Card Industry (PCI) fine or penalty imposed under a contract to which you are a party. PCI Fines and Penalties do not include any increased transaction costs.

**2. Computer Attack**

**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 in no event 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* incurred during the *period of restoration*.

**(5) Extended Income Recovery**

If you suffer a covered *business income and extra expense loss* resulting from a *computer attack* on a *computer system* owned or leased by you and operated under your control, we will pay your actual *extended income loss*.

**(6) 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.

**3. Cyber Extortion**

a. 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.
- b. If the conditions listed in **a.** 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.
- c. You must make every reasonable effort not to divulge the existence of this Cyber Extortion coverage.

**4. Misdirected Payment Fraud**

a. Misdirected Payment Fraud applies only if all of the following conditions are met:

- (1) There has been a *wrongful transfer event* against you; and
  - (2) Such *wrongful transfer event* took place in the *coverage territory*; and
  - (3) Such *wrongful transfer event* is first discovered by you during the *policy period*; and
  - (4) Such *wrongful transfer event* is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you; and
  - (5) Such *wrongful transfer event* is reported in writing by you to the police.
- b. If the conditions listed above in **a.** have been met, then we will pay your necessary and reasonable *wrongful transfer costs* arising directly from the *wrongful transfer event*.

**5. Computer Fraud**

a. Computer Fraud applies only if all of the following conditions are met:

- (1) There has been a *computer fraud event* against you; and
  - (2) Such *computer fraud event* took place in the *coverage territory*; and
  - (3) Such *computer fraud event* is first discovered by you during the *policy period*; and
  - (4) Such *computer fraud event* is reported to us within 60 days after the date it is first discovered by you; and
  - (5) Such *computer fraud event* is reported in writing by you to the police.
- b. If the conditions listed in **a.** above have been met, then we will pay your necessary and reasonable *computer fraud costs* arising directly from the *computer fraud event*.

**6. 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*; or

- (b) A *regulatory proceeding*.
- (2) Such *claim* or *regulatory proceeding* must arise from a *personal data compromise* that:
  - (a) Took place during the *coverage term*; and
  - (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 in no event more than 60 days after the date it is first received by you.
- b. If the conditions listed in a. above have been met, then we will pay on your behalf any covered:
  - (1) Loss directly arising from the *claim*; 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.

## 7. 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 liability 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 in no event more than 60 days after the date it is first received by you.
- b. If the conditions listed in a. above have been met, then we will pay on your behalf any covered *loss* directly arising from the *claim*.
- c. All *claims* arising from a single *network security liability incident* or interrelated *network security liability incidents* will be deemed to have been made at the time that notice of the first of those *claims* is received by you.

## 8. 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 liability 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 in no event more than 60 days after the date it is first received by you.
- b. If the conditions listed in a. above have been met, then we will pay on your behalf any covered *loss* directly arising from the *claim*.
- c. All *claims* arising from a single *electronic media liability incident* or interrelated *electronic media liability incidents* will be deemed to have been made at the time that notice of the first of those *claims* is received by you.

## 9. 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 Cyber Suite Coverage; 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 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, any electrical power supply network or telecommunications network not owned and operated by you including, but not limited to, the internet, internet service providers, Domain Name System (DNS) service providers, cable and wireless providers, internet exchange providers, search engine providers, internet protocol networks (and similar networks that may have different designations) and other providers of telecommunications or internet infrastructure.
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, wrongful transfer event, computer fraud event* 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. Aggregate Limits

Except for post-judgment interest, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule is the most we will pay for all *loss* under all applicable coverage sections, except Identity Recovery, in any one *policy period* or any applicable Extended Reporting Period. The Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule applies regardless of the number of insured events first discovered or *claims* or *regulatory proceedings* first received during the *policy period* or any applicable Extended Reporting Period.

The Identity Recovery Coverage is subject to the Identity Recovery Limit as shown in the Cyber Suite Schedule.

## 2. Coverage Sublimits

### a. Data Compromise Sublimits

The most we will pay under Data Compromise Response Expenses for Forensic IT Review, Legal Review, Public Relations, Regulatory Fines and Penalties and PCI Fines and Penalties coverages for *loss* arising from any one *personal data compromise* is the applicable sublimit for each of those coverages shown in the Cyber Suite Schedule.

These sublimits are part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule. Public Relations coverage is also subject to a limit per *affected individual* as described in **A.1.b.(5)**.

### b. Computer Attack Sublimits

The most we will pay under Computer Attack for Loss of Business and Extended Income Recovery coverages for *loss* arising from any one *computer attack* is the applicable Loss of Business sublimit shown in the Cyber Suite Schedule. The most we will pay under Computer Attack for Public Relations coverage for *loss* arising from any one *computer attack* is the applicable Public Relations sublimit shown in the Cyber Suite Schedule. These sublimits are part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule.

### c. Cyber Extortion Sublimit

The most we will pay under Cyber Extortion coverage for *loss* arising from one *cyber extortion threat* is the applicable sublimit shown in the Cyber Suite Schedule. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule.

### d. Misdirected Payment Fraud Sublimit

The most we will pay under Misdirected Payment Fraud coverage for *loss* arising from one *wrongful transfer event* is the applicable sublimit shown in the Cyber Suite Schedule. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule.

### e. Computer Fraud Sublimit

The most we will pay under Computer Fraud coverage for *loss* arising from one *computer fraud event* is the applicable sublimit shown in the Cyber Suite Schedule. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule.

### f. Identity Recovery Sublimits

The following provisions are applicable only to the 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 annual aggregate limit for Identity Recovery.
- (2) Costs covered under item d. (Legal Costs) of the definition of *identity recovery expenses* are part of, and not in addition to, the annual aggregate limit for Identity Recovery.
- (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 Cyber Suite Schedule. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery. 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* is subject to the Mental Health Counseling sublimit shown in the Cyber Suite

Supplemental Declarations. This sublimit is part of, and not in addition to, the annual 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 Schedule. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery. Coverage is limited to costs incurred within 12 months after the first discovery of the *identity theft* by the *identity recovery insured*.

### 3. Application of Limits

- a. A *computer attack, cyber extortion threat, personal data compromise, wrongful transfer event, computer fraud event* 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, wrongful transfer event, computer fraud event* 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, wrongful transfer event, computer fraud event* 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. The limit of insurance for the Extended Reporting Periods (if applicable) will be part of, and not in addition to, the limit of insurance for the immediately preceding *policy period*.
- d. 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 Schedule. 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 Schedule. You will be responsible for the applicable deductible amount.
2. The deductible will apply to all:
  - a. *Loss* arising from the same insured event or interrelated insured events under Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, or Computer Fraud.
  - b. *Loss* resulting from the same *wrongful act* or interrelated *wrongful acts* insured under Data Compromise Liability, Network Security Liability or Electronic Media Liability.
3. In the event that *loss* is insured under more than one coverage section, only the single highest deductible applies.
4. 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

The bankruptcy or insolvency of you or your estate, will not relieve you or us of any obligation under this Cyber Coverage.

### 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. You shall give us such information and cooperation as we may reasonably require.
- 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. 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.
- d. If 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.
- e. 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.
- f. 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 Cyber Coverage. 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 system* 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 practicable, but in no event more than 60 days after the date the *claim* or *regulatory proceeding* is first received by you;
  - (3) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the *claim* or *regulatory proceeding*;
  - (4) Authorize us to obtain records and other information;
  - (5) Cooperate with us in the investigation, settlement or defense of the *claim* or *regulatory proceeding*;
  - (6) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of *loss* or *defense costs* to which this insurance may also apply; and
  - (7) Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such *claim* or *regulatory proceeding*.
- c. In the event of a *personal data compromise*, *computer attack*, *cyber extortion threat*, *wrongful transfer*

event, computer fraud event or identity theft, insured under this Cyber Coverage, 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, wrongful transfer event, computer fraud event* 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, wrongful transfer event, computer fraud event* 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, wrongful transfer event, computer fraud event* 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, wrongful transfer event, computer fraud event* 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, wrongful transfer event, computer fraud event* 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. Extended Reporting Periods

- a. You will have the right to the Extended Reporting Periods described in this section, in the event of a *termination of coverage*.
- b. If a *termination of coverage* has occurred, you will have the right to the following:
  - (1) At no additional premium, an Automatic Extended Reporting Period of 30 days immediately following the effective date of the *termination of coverage* during which you may first receive notice of a *claim* or *regulatory proceeding* arising directly from a *wrongful act* occurring before the end of the *policy period* and which is otherwise insured by this Cyber Coverage; and
  - (2) Upon payment of the additional premium of 100% of the full annual premium associated with the relevant coverage, a Supplemental Extended Reporting Period of one year immediately following the effective date of the *termination of coverage* during which you may first receive notice of a *claim* or *regulatory proceeding* arising directly from a *wrongful act* occurring before the end of the *policy period* and which is otherwise insured by this Cyber Coverage.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within 30 days after the effective date of *termination of coverage*. The additional premium for the Supplemental Extended Reporting Period will be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary,

excess, contingent, or any other basis.

## 6. Identity Recovery Help Line

For assistance, if Identity Recovery applies, the *identity recovery insured* should call the **Identity Recovery Help Line at 1-866-219-0691**.

The **Identity Recovery Help Line** can provide the *identity recovery insured* with:

- a. Information and advice for how to respond to a possible *identity theft*; and
- b. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an *identity recovery insured* prior to a determination that a covered *identity theft* has occurred. Our provision of such services is not an admission of liability under the Cyber Coverage. 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*.

## 7. 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*.

## 8. Legal Advice

We are not your legal advisor. Our determination of what is or is not insured under this Cyber Coverage does not represent advice or counsel from us about what you should or should not do.

## 9. Other Insurance

If there is other insurance that applies to the same *loss*, this Cyber Coverage shall apply only as excess insurance after all other applicable insurance has been exhausted.

## 10. 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.

## 11. Service Providers

- a. We will only pay under this Cyber Coverage 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 Cyber Coverage. 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.

## 12. 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 Cyber Coverage:

- 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 Cyber Coverage. Those firms work for you.

## 13. Valuation

We will determine the value of *money* as follows:

Our payment for loss of *money* or loss payable in *money* will be, at your option, in the *money* of the country in which the *wrongful transfer event* or *computer fraud event* took place or in the United States of America dollar equivalent thereof determined at the rate of exchange published by the Wall Street Journal at the time of payment of such loss.

## F. DEFINITIONS

1. "*Affected Individual*" means any person whose *personally identifying information* or *personally sensitive information* is lost, stolen, accidentally released or accidentally published by a *personal data compromise* covered under this Cyber Coverage. This definition is subject to the following provisions:
  - a. *Affected individual* does not include any business or organization. Only an individual person may be an *affected individual*.
  - b. An *affected individual* may reside anywhere in the world.
2. "*Authorized Representative*" means a person or entity authorized by law or contract to act on behalf of an *identity recovery insured*.
3. "*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 loss of Business Income and Extra Expense.
  - 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.
6. "*Claim*"
  - a. *Claim* 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 do 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. *Claim* 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. *Claim* includes a demand or proceeding arising from a *wrongful act* that is a *personal data compromise* only when the *personal data compromise* giving rise to the proceeding was covered under Data Compromise Response Expenses section of this Cyber Coverage, 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*”
- a. “*Computer attack*” means one of the following involving the *computer system*:
    - (1) An *unauthorized access incident*;
    - (2) A *malware attack*; or
    - (3) A *denial of service attack* against a *computer system*.
  - b. A *computer attack* ends at the earlier of:
    - (1) The time that the active attacking behavior ceases, the time that you have regained control over the *computer system* or the time that all unauthorized creation, destruction or movement of data associated with the *computer attack* has ceased, whichever happens latest; or
    - (2) 30 days after your discovery of the *computer attack*.
8. “*Computer Fraud Costs*” means:
- a. The amount of *money* fraudulently obtained from you. *Computer fraud costs* include the direct financial loss only.
  - b. *Computer fraud costs* do not include any of the following:
    - (1) Other expenses that arise from the *computer fraud event*;
    - (2) Indirect loss, such as *bodily injury*, lost time, lost wages, *identity recovery expenses* or damaged reputation;
    - (3) Any interest, time value or potential investment gain on the amount of financial loss; or
    - (4) Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.
9. “*Computer Fraud Event*” means:
- a. An *unauthorized access incident* that leads to the intentional, unauthorized and fraudulent entry of or change to data or instructions within a *computer system* owned or leased by you and operated under your control. Such fraudulent entry or change must be conducted by a person who is not an *employee*, *executive* or *independent contractor*. Such fraudulent entry or change must cause *money* to be sent or diverted. The fraudulent entry or change must result in direct financial loss to you.
  - b. *Computer fraud event* does not mean or include any occurrence:
    - (1) In which you are threatened or coerced to send money or divert a payment; or

- (2) Arising from a dispute or a disagreement over the completeness, authenticity or value of a product, a service or a financial instrument.
10. “*Computer System*” means a computer or other electronic hardware that:
- a. Is owned or leased by you and operated under your control; or
  - b. Is operated by a third-party service provider used for the purpose of providing hosted computer application services to you or for processing, maintaining, hosting or storing your electronic data, pursuant to a written contract with you for such services. However, such computer or other electronic hardware operated by such third party shall only be considered to be a *computer system* with respect to the specific services provided by such third party to you under such contract.
11. “*Coverage Term*” means the increment of time:
- a. 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 Cyber Coverage and held immediately prior to this Cyber coverage; and
  - b. Ending upon the *termination of coverage*.
12. “*Coverage Territory*” means:
- a. With respect to Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud and Identity Recovery, *coverage territory* means anywhere in the world.
  - b. 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.
13. “*Cyber Extortion Expenses*” means:
- a. The cost of a negotiator or investigator retained by you in connection with a *cyber extortion threat*; and
  - b. 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.
14. “*Cyber Extortion Threat*” means:
- a. *Cyber extortion threat* means a demand for money from you based on a credible threat, or series of related credible threats, to:
    - (1) 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;
    - (2) 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*;
    - (3) Alter, damage or destroy electronic data or software while such electronic data or software is stored within a *computer system*;
    - (4) 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*; or
    - (5) Cause you to transfer, pay or deliver any funds or property using a *computer system* without your authorization.
  - b. *Cyber extortion threat* does not mean or include any threat made in connection with a legitimate commercial dispute.
15. “*Data Re-creation Costs*”
- a. *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.
  - b. *Data re-creation 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.
16. *"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.
17. *"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.
18. *"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.
19. *"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.
20. *"Employee"* means any natural person, other than an *executive*, who was, now is or will be:
- a. Employed on a full-time or part-time basis by you;
  - b. Furnished temporarily to you to substitute for a permanent *employee* on leave or to meet seasonal or short-term workload conditions;
  - c. Leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in paragraph **b.**; or
  - d. Your volunteer worker, which includes unpaid interns.
21. *"Executive"* means any natural person who was, now is or will be:
- a. The owner of your sole proprietorship; or
  - b. A duly elected or appointed:
    - (1) Director;
    - (2) Officer;
    - (3) Managing Partner;
    - (4) General Partner;
    - (5) Member (if a limited liability company);
    - (6) Manager (if a limited liability company); or
    - (7) Trustee;
 of your business.

22. “*Extended Income Loss*” means your actual *business income and extra expense loss* incurred during the *extended recovery period*.
23. “*Extended Recovery Period*” means a fixed period of 180 days immediately following the end of the *period of restoration*.
24. “*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.
25. “*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 workdays. 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 Cyber Coverage or policy.

26. “*Identity Recovery Insured*” means the following:

- a. When the entity insured under this Cyber Coverage is a sole proprietorship, the *identity recovery insured* is the individual person who is the sole proprietor of the insured identity.
- b. When the entity insured under this Cyber Coverage is a partnership, the *identity recovery insureds* are the current partners.
- c. When the entity insured under this Cyber Coverage is a corporation or other form of organization, other than those described in a. or b. above, the *identity recovery insureds* are all individuals having an ownership position of 20% or more of the insured entity. However, if, and only if, there is no one who has such an ownership position, then the *identity recovery insured* will be:
  - (1) The chief executive of the insured entity; or
  - (2) As respects a religious institution, the senior ministerial employee.

An *identity recovery insured* must always be an individual person. If the entity insured under this Cyber Coverage is a legal entity, that legal entity is not an *identity recovery insured*.

27. “*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.

28. “*Independent Contractor*” means a natural person that provides goods or services to you under terms specified in a written contract, but only while acting on behalf of, at the direction of, and under the supervision of you.

29. “*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 Misdirected Payment Fraud, *loss* means *wrongful transfer costs*.
- e. With respect to Computer Fraud, *loss* means *computer fraud costs*.
- f. With respect to Data Compromise Liability, Network Security Liability and Electronic Media Liability, *loss* means *defense costs* and *settlement costs*.
- g. With respect to Identity Recovery, *loss* means those expenses enumerated in Identity Recovery, paragraph b.

30. “*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.

31. “*Money*” means:

- a. *Money* means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including currency, coins, banknotes, bullion, travelers’ checks, registered checks and money orders held for sale to the public.
- b. *Money* does not mean or include any cryptocurrency, whether or not authorized or adopted by a domestic or foreign government. Cryptocurrency includes, but is not limited to, Bitcoin, Ethereum and

other forms of digital, virtual or electronic currency.

- 32.** “*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:
- 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;
  - The unintended abetting of a *denial of service attack* against one or more other systems; or
  - The unintended loss, release or disclosure of *third party corporate data*.
- 33.** “*Period of Restoration*” means the period of time that begins 8 hours after the time that a *computer attack* is discovered by you and continues until the earliest of:
- The date that all data restoration, data re-creation and system restoration directly related to the *computer attack* has been completed;
  - 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; or
  - If no data restoration, data re-creation or system restoration is required, the end of the *computer attack*.
- 34.** “*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:
- 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:
    - You; or
    - 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.
  - 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.
  - 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.
  - 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*.
- 35.** “*Personally Identifying Information*”
- Personally identifying information* means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an *affected individual* or *identity recovery insured*. This includes, but is not limited to, Social Security numbers or account numbers.
  - Personally identifying information* does not mean or include information that is otherwise available to the public, such as names and addresses.
- 36.** “*Personally Sensitive Information*”
- Personally sensitive information* means private information specific to an individual the release of which requires notification of *affected individuals* under any applicable law.
  - Personally sensitive information* does not mean or include *personally identifying information*.
- 37.** “*Policy Period*” means the period commencing on the effective date shown in the Cyber Suite Schedule. The *policy period* ends on the expiration date or the cancellation date of this Cyber Coverage, whichever comes first.
- 38.** “*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.
39. “*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.
40. “*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 Cyber Coverage, 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.
41. “*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.
42. “*Termination of Coverage*” means:
- a. You or we cancel this coverage;
  - b. You or we refuse to renew this coverage; or
  - c. We renew this coverage on an other than claims-made basis or with a retroactive date later than the date of the first inception of this coverage or any coverage substantially similar to that described in this Cyber Coverage.
43. “*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 Cyber Coverage 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*.

**44.** *“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.

**45.** *“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*.

**46.** *“Wrongful Transfer Costs”* means the amount of *money* fraudulently obtained from you. *Wrongful transfer costs* include the direct financial loss only. *Wrongful transfer costs* do not include any of the following:

- a.** Other expenses that arise from the *wrongful transfer event*;
- b.** Indirect loss, such as *bodily injury*, lost time, lost wages, *identity recovery expenses* or damaged reputation;
- c.** Any interest, time value or potential investment gain on the amount of financial loss; or
- d.** Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.

**47.** *“Wrongful Transfer Event”*

- a.** *Wrongful transfer event* means an intentional and criminal deception of you or a financial institution with which you have an account. The deception must be perpetrated by a person who is not an *employee*, *executive* or *independent contractor* using email, facsimile or telephone communications to induce you or the financial institution to send or divert *money*. The deception must result in direct financial loss to you.
- b.** *Wrongful transfer event* does not mean or include any occurrence:
  - (1)** In which you are threatened or coerced to send money or divert a payment; or
  - (2)** Arising from a dispute or disagreement over the completeness, authenticity or value of a product, a service or a financial instrument.

ALL OTHER PROVISIONS OF THIS POLICY APPLY.

# CYBER SUITE SCHEDULE

IL-7152(7-20)

Policy Number: ZL1040  
Named Insured: WYNSTONE TOWNHOMES ASSN

Cyber Coverage Effective  
Date: 2024-11-15

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## CYBER SUITE

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<b>Cyber Suite Annual Aggregate Limit:</b>	\$50,000
<b>First Party Annual Aggregate Limit:</b>	\$25,000
<b>Third Party Defense Annual Aggregate Limit:</b>	\$12,500
<b>Third Party Liability Annual Aggregate Limit:</b>	\$12,500
<b>Cyber Suite Deductible Per Occurrence:</b>	\$1,000

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## FIRST PARTY COVERAGES

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<b>DATA COMPROMISE RESPONSE EXPENSES</b>	<b>Included</b>
<b>Sublimits Per Occurrence</b>	
Forensic IT Review:	\$25,000
Legal Review:	\$25,000
Public Relations:	\$5,000
Regulatory Fines and Penalties:	\$25,000
PCI Fines and Penalties:	\$25,000
<b>COMPUTER ATTACK</b>	<b>Included</b>
<b>Sublimits Per Occurrence</b>	
Loss of Business:	\$25,000
Public Relations:	\$5,000
<b>CYBER EXTORTION</b>	<b>Included</b>
<b>Sublimit Per Occurrence:</b>	\$10,000
<b>MISDIRECTED PAYMENT FRAUD</b>	<b>Included</b>
<b>Sublimit Per Occurrence:</b>	\$10,000
<b>COMPUTER FRAUD</b>	<b>Included</b>
<b>Sublimit Per Occurrence:</b>	\$10,000

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## THIRD PARTY COVERAGES

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<b>DATA COMPROMISE LIABILITY</b>	<b>Included</b>
<b>NETWORK SECURITY LIABILITY</b>	<b>Included</b>
<b>ELECTRONIC MEDIA LIABILITY</b>	<b>Included</b>

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**IDENTITY RECOVERY COVERAGE**

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**Annual Aggregate Limit Per *Identity Recovery Insured*:** **\$25,000**  
**Deductible Per Occurrence:** **None**

**Sublimits Per Occurrence**

Lost Wages and Child and Elder Care Expenses: \$5,000  
Mental Health Counseling: \$1,000  
Miscellaneous Unnamed Costs: \$1,000

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This endorsement changes the policy. Please read it carefully.

This endorsement modifies the insurance provided under the following:

### Cyber Suite Coverage

**1. C. LIMITS OF INSURANCE, 1. Aggregate Limits** is deleted and replaced with the following:

**1. Aggregate Limits**

The First Party Annual Aggregate Limit shown in the Cyber Suite Schedule is the most we will pay for all *loss* under all applicable coverage sections, except Identity Recovery, in any one *policy period*. The First Party Annual Aggregate Limit shown in the Cyber Suite Schedule applies regardless of the number of insured events first discovered during the *policy period*.

The Third Party Defense Annual Aggregate Limit shown in the Cyber Suite Schedule is the most we will pay for *defense costs* under the applicable Liability coverage section in any one *policy period* or any Extended Reporting Period.

Except for post-judgment interest, the Third Party Liability Annual Aggregate Limit shown in the Cyber Suite Schedule is the most we will pay for all *settlement costs* under the applicable Liability coverage section in any one *policy period* or any applicable Extended Reporting Period.

The Third Party Defense Annual Aggregate Limit and the Third Party Liability Annual Aggregate Limit shown in the Cyber Suite Schedule apply regardless of the number of insured *claims* or *regulatory proceedings* first received during the *policy period* or any applicable Extended Reporting Period.

If a Cyber Suite Annual Aggregate limit is shown in the Cyber Suite Schedule, then, except for post-judgment interest, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule is the most we will pay for all *loss* under all applicable coverage sections, except Identity Recovery, in any one *policy period* or any applicable Extended Reporting Period. The Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Schedule applies regardless of the number of insured events first discovered or *claims* or *regulatory proceedings* first received during the *policy period* or any applicable Extended Reporting Period.

The Identity Recovery Coverage is subject to the Identity Recovery Limit as shown in the Cyber Suite Schedule

**2. C. LIMITS OF INSURANCE, 2.a. Data Compromise Sublimits, 2.b. Computer Attack Sublimits, 2.c. Cyber Extortion Sublimit, 2.d. Misdirected Payment Fraud Sublimit, and 2.e. Computer Fraud Sublimit** are deleted and replaced with the following:

**a. Data Compromise Sublimits**

The most we will pay under Data Compromise Response Expenses for Forensic IT Review, Legal Review, Public Relations, Regulatory Fines and Penalties and PCI Fines and Penalties coverages for *loss* arising from any one *personal data compromise* is the applicable sublimit for each of those coverages shown in the Cyber Suite Schedule.

These sublimits are part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Suite Schedule. Public Relations coverage is also subject to a limit per *affected individual* as described in **A.1.b.(5)**.

**b. Computer Attack Sublimits**

The most we will pay under Computer Attack for Loss of Business and Extended Income Recovery coverages for *loss* arising from any one *computer attack* is the applicable Loss of Business sublimit shown in the Cyber Suite Schedule. The most we will pay under Computer Attack for Public Relations coverage for *loss* arising from any one *computer attack* is the applicable Public Relations sublimit shown in the Cyber

Suite Schedule. These sublimits are part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Suite Schedule.

**c. Cyber Extortion Sublimit**

The most we will pay under Cyber Extortion coverage for *loss* arising from any one *cyber extortion threat* is the applicable sublimit shown in the Cyber Suite Schedule. This sublimit is part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Suite Schedule.

**d. Misdirected Payment Fraud Sublimit**

The most we will pay under Misdirected Payment Fraud coverage for *loss* arising from one *wrongful transfer event* is the applicable sublimit shown in the Cyber Suite Schedule. This sublimit is part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Suite Schedule.

**e. Computer Fraud Sublimit**

The most we will pay under Computer Fraud coverage for *loss* arising from one *computer fraud event* is the applicable sublimit shown in the Cyber Suite Schedule. This sublimit is part of, and not in addition to, the First Party Annual Aggregate Limit shown in the Cyber Suite Schedule.

**3. E. ADDITIONAL CONDITIONS, 1. Bankruptcy**, is deleted and replaced with the following:

**1. Bankruptcy**

The bankruptcy, insolvency, or dissolution of you or your estate, will not relieve you or us of any obligation under this Coverage Form.

**4. E. ADDITIONAL CONDITIONS, 2. Defense And Settlement**, paragraphs **f. (1)** and **(2)** are deleted and replaced with the following:

**(1)** Before entry of judgment; and

**(2)** After entry of judgment but 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.



DIRECTORS' AND OFFICERS' LIABILITY  
COVERAGE PART

Renewal Declarations

Organization:

WYNSTONE TOWNHOMES ASSN  
13780 FENWICK CIR  
EDEN PRAIRIE MN 55346

Agency Name and Number:

NORTH RISK PARTNERS LLC  
8353-CG

Policy Number: ZL1040

Policy Period: Effective Date: 11-15-24  
Expiration Date: 11-15-25

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

12:01 A.M. standard time at your mailing address shown in the declarations

LIMIT OF LIABILITY

Each and every loss and in the aggregate each policy period \$1,000,000

COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CG-2681F(7-21)	Minnesota Changes - Duties Condition	
CG-7154(9-05)	Directors and Officers Liability Coverage Form - Condominium or Cooperative	
CG-7161(4-08)	Minnesota Changes - Directors' and Officers' Liability	
IL-0017F(11-98)	Common Policy Conditions	
IL-0021F(3-14)	Nuclear Energy Liability Exclusion - Broad Form	
IL-7012(1-18)	Asbestos Exclusion	
IL-7027(7-21)	Minnesota Changes - Cancellation and Nonrenewal	

Advance Endorsement Premium

PREMIUM SUMMARY

Advance Premium	\$350.00
Advance Endorsement Premium	
<b>Total Advance Premium</b>	<b>\$350.00</b>

ADDITIONAL NAMED INSURED

Named insured includes the following Additional Named Insureds:

NONE

**DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM - CONDOMINIUM OR COOPERATIVE**

**Index of Policy Provisions**

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Exclusions.....	2	Subrogation.....	4
<b>LIMIT OF LIABILITY</b> .....	<b>3</b>	Cooperation of the Directors, Officers.....	4
<b>COSTS, CHARGES AND EXPENSES</b> .....	<b>3</b>	or Trustees	
<b>GENERAL CONDITIONS</b> .....	<b>3</b>	Appeals.....	4
Notice of Claim.....	3	Other Insurance.....	4
Action Against Company.....	3	Declarations.....	4
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## DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM - CONDOMINIUM OR COOPERATIVE

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

Throughout this policy the words "you" and "your" refer to the organization shown in the Declarations.

The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in italics have special meaning. Refer to the Definitions Section.

### COVERAGE

#### 1. Insuring Agreement

In consideration of the payment of the premium and subject to the terms, conditions and limitations of the policy, we will provide the insurance coverage stated herein. We agree to pay on behalf of the *named insured* or an *insured person* all loss which they, individually or collectively, shall become legally obligated to pay. This insurance applies to loss arising out of a *wrongful act* committed during the *policy period*.

#### 2. Exclusions

The *wrongful act* of any *insured person* shall not be imputed to the *named insured* or to any other *insured person* for the purpose of determining the applicability of the following exclusions.

This coverage shall not apply to any loss:

- a. Based on or attributable to bodily or personal injury, mental injury or anguish, counseling injury, sickness, disease or death of any person, or to damages or destruction of any tangible property including loss of use.
- b. Based on or attributable to any failure or omission on the part of the *named insured* or an *insured person* to effect, procure or maintain insurance, or failure or omission with respect to insurance amount, form, conditions or provisions.
- c. Arising out of the violation of any "civil rights" law. This means any federal, state or local ordinance, including (but not limited to) discrimination on account of race, religion, sex or age.
- d. Based on or attributable to an *insured person* gaining in fact any personal profit or advantage to which they were not legally entitled.
- e. For damages arising out of any dishonest, fraudulent, criminal or malicious act or willful violation of any statute. This includes fines or penalties resulting therefrom.
- f. Arising from or in connection with any claim for the return by an *insured person* of any remuneration paid in fact to them if such remuneration shall be held by the courts to

be in violation of the law.

- g. Based on the Employee Retirement Income Security Act of 1974, Public Law 93-406 and amendments thereto, or similar provisions of any federal, state or local statutory or common law. Public Law 93-406 is commonly referred to as the Pension Reform Act of 1974.
- h. Based on or attributable to any statutory or common law relating to the purchase, sale or disposition of securities.
- i. Based on or attributable to any salary, compensation or bonuses voted to any *insured person* by the Board of Directors of the *named insured*.
- j. For other than money damages.
- k. For the payment of punitive or exemplary damages.
- l. Due to or arising out of nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing.
- m. Based on or attributable to the transmission of any communicable disease.
- n. Based on or attributable to:
  - (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants; or
  - (2) Any loss, cost or expense arising out of any governmental direction or request, including but not limited to 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.
- o. Based on or attributable to any sexual act, including but not limited to molestation, incest or rape.

## LIMIT OF LIABILITY

1. The most we will pay for all *loss* caused by a *wrongful act* committed during the *policy period* is the Limit of Liability as shown in the Declarations.
2. Subject to the foregoing, our liability for each

and every *loss* shall be the Limit of Liability shown in the Declarations and shall be our maximum liability in each *policy period* (regardless of the time of payment by us).

## COSTS, CHARGES AND EXPENSES

1. No costs, charges or expenses shall be incurred or settlements made without our consent. We will not unreasonably withhold such consent. If such consent is given, we will pay such costs, settlements, charges or expenses. We may at any time take over the defense of any claim or suit covered by this Coverage Part, including the right to appeal a judgment at our own cost and expense.

2. We may, at our option and upon request, advance on behalf of the *insured persons* (jointly or severally) expenses which they have incurred in connection with claims made against them prior to disposition of such claims, provided that if it is established we have no liability hereunder, such *insured persons* agree to repay us upon demand all monies so advanced.

## GENERAL CONDITIONS

### 1. Notice of Claim

- a. You and any other *insured person* must see to it that we are notified as soon as practicable when an *insured person* becomes aware of a *wrongful act* which may result in a claim. This notice shall be in writing and include how, when and where the *wrongful act* took place as well as any other reasonably obtainable information.
- b. If a claim is made or suit is brought against you or an *insured person*, you must:
  - (1) Immediately record the specifics of the claim or suit and the date received; and
  - (2) Notify us in writing as soon as practicable.
- c. You and any other involved *insured person* 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.

been full compliance with all of the terms of this Coverage Part, nor until the amount of the *named insured's* obligation to pay shall have been finally determined either by judgment against the *named insured* after actual trial or by written agreement of the *named insured*, the claimant and us.

Any person or organization or their legal representative who has secured such judgment or written agreement shall be entitled to recover under this Coverage Part to the extent of the insurance afforded by this Coverage Part. No person or organization shall have any right under this Coverage Part to join us as a party to any action against the *named insured* to determine the *named insured's* liability. We shall not be impleaded by the *named insured* or its legal representative. Bankruptcy or insolvency of the *named insured* shall not relieve us of any of our obligations.

### 3. Organization Authorization Clause

By acceptance of this Coverage Part, the organization shown in the Declarations agrees to act on behalf of all *insured persons* with respect to the giving and receiving of notice of cancellation, the payment of premiums and the receiving of any return premiums that may become due under this Coverage Part, and the *insured persons* agree that the *named insured* shall act on their behalf.

### 4. Admission of Liability

The *insured persons* shall not make any admission of liability, nor shall they authorize any other officers, employees or other persons to make any admission of liability in connection with any claim without obtaining our written consent.

### 2. Action Against Company

No action shall lie against us unless, as a condition precedent thereto, there shall have

## 5. Subrogation

In the event of any payment under this Coverage Part, we shall be subrogated to the extent of such payment to all rights of recovery therefore. The *named insured* or the *insured persons*, shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights including the execution of such documents necessary to enable us effectively to bring suit in the name of the *insured persons*.

## 6. Cooperation of the Directors, Officers or Trustees

The *insured persons* shall cooperate with us and assist us in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization. The *insured persons* shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

## 7. Appeals

In the event an *insured person* elects not to appeal a judgment, we may elect to make such appeal at our own cost and expense and shall be liable for the taxable costs and disbursements and interests incidental thereto, but in no event shall our liability exceed the Limit of Liability as provided herein.

## 8. Other Insurance

When the *named insured* or an *insured person*

has other insurance against *loss* covered by this Coverage Part, we will not be liable under this Coverage Part for a greater proportion of such *loss* than the applicable limit under this Coverage Part bears to the total applicable Limit of Liability of all valid and collectible insurance against such *loss*.

## 9. Declarations

By acceptance of this Coverage Part, the *named insured* agrees that the statements in the Declarations are its agreements and representations. You also agree this Coverage Part is issued in reliance upon the truth of such representations and that this Coverage Part embodies all agreements existing between itself and us or any of our agents relating to this insurance.

## 10. Conformance to Statute

Terms of this Coverage Part which are in conflict with the statutes of states where coverages included in this Coverage Part are not permitted, are amended to cover only those provisions and coverages as apply and conform to such statutes.

## 11. First Named Insured

The first legal entity shown as an organization in the Declarations will be the First Named Insured for this policy.

## DEFINITIONS

1. "*Insured person*" means all directors, officers or trustees of the *named insured* including:

- a. The estates, heirs, legal representatives or assigns of the deceased persons who were *insured persons* at the time of the *wrongful act* upon which claims are based; and
- b. The legal representatives or assigns of said *insured persons* in the event of their incompetency, insolvency or bankruptcy.

2. "*Loss*" means any amount which an *insured person* is legally obligated to pay or which the *named insured* may be required or permitted by law to pay as indemnity to an *insured person* for *wrongful acts*. Any series of related *wrongful acts* committed during the *policy period* shall be considered a single *wrongful act*.

The amount payable includes but is not limited to damages, judgments and settlements.

*Loss* shall not include fines or penalties imposed by law or matters which may be deemed uninsurable.

3. "*Named insured*" means the organization shown in the Declarations.

4. "*Policy period*" means the period of one year following the effective date and hour of this policy or any anniversary thereof, or if the time between the effective date or any anniversary and termination of the policy is less than one year, such lesser period.

5. "*Wrongful act*" means any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty by an *insured person* in the discharge of their duties, individually or collectively. It also includes any matter claimed against them solely by reason of their being *insured persons*.

**MINNESOTA CHANGES - DUTIES CONDITION**

**CG-2681F(7-21)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS COVERAGE PART  
LIQUOR LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM  
POLLUTION LIABILITY COVERAGE FORM

PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM  
RESIDENTIAL CARE FACILITY LIABILITY COVERAGE FORM

The following is added to the Duties Condition:

The requirement to notify us will be satisfied by notifying our agent. Such notice may be written or oral.



This endorsement modifies insurance provided under the following:

DIRECTORS' AND OFFICERS' LIABILITY COVERAGE  
FORM - CHURCH

DIRECTORS' AND OFFICERS' LIABILITY COVERAGE  
FORM - CONDOMINIUM OR COOPERATIVE  
COMMON POLICY CONDITIONS

1. The Examination of Your Books and Records Common Policy Condition is replaced by the following:

**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 one year afterward.

2. The following is added to the Limit of Liability section:

We will pay, in addition to the applicable Limit of Liability, all expenses we incur and prejudgment interest awarded against the *named insured* or *insured person* on that part of the judgment we pay.

3. The following is added to the Subrogation General Condition:

Our rights do not apply against any person or organization insured under this or any other Coverage Part we issue with respect to the same *wrongful act*.

4. The last sentence of the Action Against Company General Condition is replaced by the following:

Bankruptcy, insolvency or dissolution of the *named insured* shall not relieve us of any of our obligations.

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. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. Thirty 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 modifies insurance provided under the following:

- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

**1. The insurance does not apply:**

**a. Under any Liability Coverage to *bodily injury* or *property damage*:**

- (1) With respect to which an *insured* under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, 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 the *hazardous properties* of *nuclear material*, if:**

- (1) The *nuclear material*:

- (a) Is at any *nuclear facility* owned by, or operated by or on behalf of, an *insured*; or
- (b) Has been discharged or dispersed therefrom.

- (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an *insured*; or

- (3) The *bodily injury* or *property damage* arises out of the furnishing by an *insured* of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.

**2. As used in this endorsement:**

**a. "*Hazardous properties*" include radioactive, toxic or explosive properties.**

**b. "*Nuclear material*" means *source material*, *special nuclear material* or *byproduct material*.**

**c. "*Source material*," "*special nuclear material*" and "*byproduct material*" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.**

**d. "*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.**

**e. "*Waste*" means any waste material:**

- (1) Containing *byproducts 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

- (2) 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*.

**f. "*Nuclear facility*" means:**

- (1) Any *nuclear reactor*;
- (2) Any equipment or device designed or used for:
  - (a) Separating the isotopes of uranium or plutonium;
  - (b) Processing or utilizing *spent fuel*; or

- (c) Handling, processing or packaging waste.
- (3) 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.
- (4) Any structure, basin, excavation, prem-

ises 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.

- g. "*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.
- h. "*Property damage*" includes all forms of radioactive contamination of property.

## ASBESTOS EXCLUSION

IL-7012(1-18)

This endorsement modifies insurance provided under the following:

BIS-PAK® BUSINESS LIABILITY AND MEDICAL  
EXPENSE COVERAGE FORM  
COMMERCIAL AUTO COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
DIRECTORS' AND OFFICERS' LIABILITY COVERAGE  
PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
ERRORS AND OMISSIONS COVERAGE PART  
GARAGE COVERAGE FORM  
LIQUOR LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY  
COVERAGE FORM  
POLLUTION LIABILITY COVERAGE FORM  
PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY  
COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM  
RESIDENTIAL CARE FACILITY LIABILITY COVERAGE  
PART

The following exclusion is added:

### **Asbestos**

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

This endorsement modifies insurance provided under the following:

- COMMERCIAL CRIME COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- DIRECTORS AND OFFICERS LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RESIDENTIAL CARE FACILITY LIABILITY COVERAGE PART

1. The Cancellation Common Policy Condition is replaced by the following:

**CANCELLATION**

- a. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by giving written notice to the First Named Insured and any agent. Notice will be delivered by first class mail to the First Named Insured at the last mailing address known to us. Notice of cancellation will state the effective date of cancellation and the policy period will end on that date.
- c. If this policy is a new policy and has been in effect for fewer than 90 days, we may cancel for any reason by giving written notice at least 10 days before the effective date of cancellation.
- d. If this policy has been in effect for 90 days or more, if it is a renewal of a policy, or if it is a policy issued for a term longer than one year, we may cancel only for one or more of the following reasons:
  - (1) Nonpayment of premium;
  - (2) Misrepresentation or fraud made by you or with your knowledge in obtaining the policy or in pursuing a claim under the policy;
  - (3) Actions by you that substantially increase or change the risk insured;
  - (4) Refusal by you to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed;
  - (5) Substantial change in the risk assumed,

except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;

- (6) Loss of reinsurance by us which provided coverage to us for a significant amount of the underlying risk insured. A notice of cancellation under this item shall advise you that you have 10 days from the date of receipt of the notice to appeal the cancellation to the Commissioner of Commerce. The commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal; or
- (7) A determination by the commissioner that the continuation of the policy could place us in violation of the Minnesota insurance laws.

If we cancel for nonpayment of premium, we will give notice at least 10 days before the effective date of cancellation. The cancellation notice will contain the information regarding the amount of premium due and the due date and will state the effect of nonpayment by the due date. Cancellation will not be effective if payment of the amount due is made prior to the effective date of cancellation.

If we cancel for other reasons, we will give notice at least 60 days before the effective date of cancellation. The notice of cancellation will state the reason for cancellation.

- e. If the policy is issued for a term longer than one year, we may cancel at anniversary of the effective date by giving notice at least 60 days before the anniversary date. The notice of cancellation will state the reason for cancellation.
  - f. If this policy is cancelled, we will send the First Named Insured any premium refund due. If we cancel, the refund will be computed pro rata. If the First Named Insured cancels, the refund will be computed at 90% of pro rata. The cancellation will be effective even if we have not made or offered a refund.
2. The following is added and supersedes any provision to the contrary.

**NONRENEWAL**

We may nonrenew this policy by giving written

notice of nonrenewal to the First Named Insured and any agent at least 60 days before the expiration date. Notice will be delivered by first class mail to the First Named Insured at the last mailing address known to us.

We need not mail or deliver this notice if you have:

- a. Obtained coverage elsewhere;
- b. Accepted replacement coverage; or
- c. Agreed not to renew this policy.

If the notice is not given at least 60 days before the date of expiration, the policy shall continue to be in effect 60 days after the notice of intent not to renew is received by the First Named Insured.

3. Unless other proof of notice is otherwise specifically required, proof of mailing of any notice shall be sufficient proof of notice. We may deliver any notice instead of mailing it.

# Your Policyholder Identification Cards

MINNESOTA INSURANCE IDENTIFICATION CARD



Policy Number ZL1040  
Policy Period 11-15-24 To 11-15-25  
Named Insured WYNSTONE TOWNHOMES ASSN  
Your Agency NORTH RISK PARTNERS LLC  
651.379.7800  
Your Car HIRED AND NONOWNED AUTOS

FOR ALL CLAIMS CALL 800.242.7666

Acuity, A Mutual Insurance Company

TO REMOVE: FOLD FORWARD AND BACK ALONG EACH PERFORATION AROUND CARD.

**KEEP ONE CARD IN YOUR VEHICLE AT ALL TIMES**

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**KEEP ONE CARD IN YOUR VEHICLE AT ALL TIMES**



**CRIMINAL PENALTY FOR FAILURE TO PRODUCE  
PROOF OF INSURANCE**

1. Every driver must be able to display the insurance identification card for the vehicle being driven.
2. If unable to display the insurance identification card, the driver will have 14 days to provide proof of insurance or the name and address of the owner.
3. The owner must provide proof of insurance within 14 days of receipt of a request.
4. If the driver or owner fail to provide proof of insurance, they are guilty of a misdemeanor.

**ILLEGAL ACTS - It is illegal to:**

1. Issue, display or possess an insurance identification card, insurance policy or written statement knowing there is no insurance covering the vehicle.
2. Alter, make or display a false insurance identification card, insurance policy or written statement of proof of insurance.

**Any person violating the provisions above is guilty of a misdemeanor.**

**CRIMINAL PENALTY FOR FAILURE TO PRODUCE  
PROOF OF INSURANCE**

1. Every driver must be able to display the insurance identification card for the vehicle being driven.
2. If unable to display the insurance identification card, the driver will have 14 days to provide proof of insurance or the name and address of the owner.
3. The owner must provide proof of insurance within 14 days of receipt of a request.
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1. Issue, display or possess an insurance identification card, insurance policy or written statement knowing there is no insurance covering the vehicle.
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**Any person violating the provisions above is guilty of a misdemeanor.**