

**IN THE THIRTEENTH JUDICIAL CIRCUIT  
IN AND FOR HILLSBOROUGH COUNTY, FLORIDA  
CIRCUIT CIVIL DIVISION**

CANDOR GRILLE, INC.

a Domestic Corporation,  
Plaintiff,

vs

Case No. \_\_\_\_\_

OHIO SECURITY INSURANCE COMPANY

a Foreign Corporation,  
Defendant,

\_\_\_\_\_ /

**COMPLAINT AND DEMAND FOR JURY TRIAL**

COMES NOW, the Plaintiff, CANDOR GRILLE, INC., by and through its undersigned counsel, and files this, its Complaint against the Defendant, OHIO SECURITY INSURANCE COMPANY, and alleges:

**JURISDICTON**

1. The matter in controversy exceeds the sum of \$30,000.00 exclusive of interest, attorney's fees and costs.
2. Plaintiff, CANDOR GRILLE, INC., was at all times material to the allegations in this Complaint, a corporation organized and existing under the laws of the State of Florida and engaged in the business of restaurants, with two locations in Tampa, Florida.
3. Defendant, OHIO SECURITY INSURANCE COMPANY, is and at all times material to the allegation in this Complaint, was a corporation organized and existing under the laws of the State of Massachusetts, having its principal place of business in Boston, Massachusetts and which was authorized and licensed to do business in the State of Florida as an insurer, and which had an agent in Hillsborough County, Florida, making Hillsborough County a

proper venue pursuant to Florida Statute Section 47.051.

### COMMON ALLEGATIONS

4. At all times material to this action, there was in existence a policy of insurance issued by Defendant to Plaintiff, providing coverage to Plaintiff's two locations. The first is a restaurant located at 13418 Boyette Rd., Riverview, FL 33569 (hereinafter "Candor Restaurant"); the second is a café located at 10150 Highland Manor Dr., Tampa, FL 33601 (hereinafter "Candor Café"). A certified copy of the subject policy is attached hereto as **Exhibit "A"** and is incorporated by reference herein.

5. The subject insurance policy, among other things, provides coverage for loss of business income and extra expense caused by action of civil authority that prevents access to both insured premises, as more specifically set forth in Form CP 00 30 06 07 which provides in pertinent part as follows:

**a. Civil Authority**

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

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

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

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

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

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

6. This coverage was modified by endorsement as follows:

#### **FLORIDA CHANGES**

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**G. The following applies to the Additional Coverage – Civil Authority under the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form and Extra Expense Coverage Form:**

- 1. The Additional Coverage – Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. With respect to described premises located in Florida, such one-mile radius does not apply.**
- 2. The Additional Coverage – Civil Authority is limited to a coverage period of up to four weeks. With respect to described premises located in Florida, such four-week period is replaced by a three-week period.**
- 3. Civil Authority coverage is subject to all other provisions of that Additional Coverage.**

7. On or about March 27, 2020 Hillsborough County issued a Civil Authority Order suspending on-premises food consumption for customers, all of which is more particularly

described in the copy of said Order attached hereto as **Exhibit “B”**, incorporated by reference herein. Additionally, Florida Governor Ron DeSantis issued Executive Order Number 20-71, a Civil Authority also suspending on-premises food consumption, which is attached as **Exhibit “C”**, incorporated by reference herein.

8. To the best of Plaintiff’s information and belief, businesses within 1 mile or more of both insured locations were shut down due to the Hillsborough County Order. Within 1 mile of Candor Restaurant is The Talking Pint, located at 13428 Boyette Rd., Riverview, FL 33569. Within 1 mile of Candor Café is Sheraton Tampa Brandon Hotel located 10221 Princess Palm Ave, Tampa, FL 33610 and Danny’s All American Diner, located at 4406 N. Faulkenburg Rd., Tampa, FL 33610. This list is not exhaustive.

9. Plaintiff further alleges that the Civil Authorities referenced above were issued in response to the state of emergency relating to Covid-19 and in response to a threat to the public health as more specifically described in the orders.

**COUNT I – BREACH OF CONTRACT**

10. Plaintiff re-alleges and incorporates allegations one (1) through nine (9) above.

11. Plaintiff suffered a loss of business income caused by the above mentioned action of civil authority that prohibited access to properties near Plaintiff’s properties, as well as to Plaintiff’s properties because access to the properties was prohibited by order of a civil authority as the direct result of a covered cause of loss to property in the immediate area of Plaintiff’s property as well as Plaintiff’s properties under the terms and conditions of the policy quoted above.

12. Under the terms and conditions of the subject policy, Defendant is obligated to pay Plaintiff’s actual loss of business income and any other extra expense caused by the action of

civil authorities pursuant to the terms and conditions of the subject policy.

13. Plaintiff submitted a claim for business income and extra expense losses caused by the above mentioned actions of civil authority to the Defendant.

14. By letter dated March 28, 2020 Defendant denied coverage for the subject claim. This denial letter is attached as **Exhibit “D”**.

15. Because of Defendant’s failure to pay Plaintiff’s claim, Defendant has materially breached the terms and conditions of the subject policy.

16. As a result of the breach, Plaintiff has suffered damages in the form of loss business income which Plaintiff alleges is covered under the subject policy of insurance.

17. All conditions precedent to recover under the subject policy have been performed by the Plaintiff or waived by the Defendant.

18. Because of Defendant’s breach of the subject insurance policy, Plaintiff has had to retain the services of the undersigned attorneys and have agreed to pay the undersigned attorneys a reasonable fee.

WHEREFORE, Plaintiff, CANDOR GRILLE, INC., demands judgment for damages, together with interest, costs and reasonable attorneys fees, pursuant to Section 627.428 Florida Statutes, together with such other and further relief which this Court may deem proper and just; and demands trial by jury on all issues so triable.

### **COUNT II – DECLARATORY JUDGEMENT**

19. Plaintiff re-alleges and incorporates allegations one (1) through nine (9) above.

20. This is an action for Declaratory Judgment to determine liability under the subject insurance policy pursuant to Chapter 86, Florida Statutes.

21. Plaintiff contends that the subject claim for business interruption is a covered

cause of loss because the orders of civil authority prevented access to Plaintiff's properties and caused these businesses to be shut down.

22. Defendant denied Plaintiff's claim, alleging that the subject policy did not provide coverage for multiple reasons. These are addressed individually below.

#### **A. Direct Physical Damage**

23. Defendant's first basis for denial is there was no direct physical loss or damage to property at the insured premises.

24. The subject policy under civil authority provides as follows:

##### **a. Civil Authority**

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

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

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

**Civil Authority Coverage for Business Income will begin 48 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.**

**Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access**

**to the described premises and will end:**

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

**Whichever is later**

25. Plaintiff alleges that this additional coverage only requires damage to premises next to Plaintiff's property by stating "when a Covered Cause of Loss causes damage to property other than property at the described premises. This clause does not require direct physical damage to the insured premises, but rather, only damage to property other than property at the described premises.

26. The above quoted policy provision is ambiguous and unclear as to whether or not direct physical damage is required at other property, or even the insured premises to trigger civil authority coverage and a reasonable interpretation of the policy should be that if property around the insured location suffers damage, not direct physical loss or damage, and a civil authority prevents access to that property as well as to the insured property, there would be coverage for the business interruption loss.

27. Plaintiff contends that Defendant has erroneously construed the subject insurance policy to require direct physical damage and that civil authority coverage is only applicable when access to the described premises is prohibited due to direct physical damage to other property. Plaintiff alleges it is entitled to recover damages for business interruption due to civil authority because other businesses were likewise shut down due to action of civil authority causing damage to businesses.

### **B. Civil Authority**

28. Defendant's second basis for denial was that Civil Authority Coverage does not

apply in this matter.

29. Specifically, Defendant claimed “there can be no Civil Authority Coverage unless the civil authority action is the result of loss or damage from a Covered Cause of Loss. Greenwich understands that the government mandate here was not the result of physical loss or damage from a Covered Cause of Loss.” (See denial letter).

30. Plaintiff in this matter alleges that Hillsborough County Executive “Safer-At-Home Order” and Florida Governor Ron DeSantis’ Executive Order 20-71 are proper civil authorities.

31. Damage to the insured properties, and damage to properties within one mile or more of the insured properties occurred when access to both were prohibited by these civil authorities.

32. Within the Hillsborough Safer-At-Home Order, restaurants were not among the list of “essential individuals, businesses and services” exempt from the order, and thus restaurants were forced shut, including both of Plaintiff’s locations.

33. Governor DeSantis’ Order specifically addressed Restaurants and Bars, stating “I hereby order all restaurants and food establishments... to suspend on-premises food consumption for customers.”

34. Since this is an all risks policy, and this particular type of loss is not excluded, this would be a covered cause of loss. This covered cause of loss clearly caused damage, by shutting down both the Plaintiff’s locations, and businesses within one mile or more of both insured locations.

35. Plaintiff contends therefore that Defendant has erroneously mischaracterized and understood the civil authority language in this matter, and that Plaintiff is entitled to recover.



**C. Delay, Loss of Use or Loss of Market**

36. Defendant’s Third basis for denial is exclusion for delay, loss of use or loss of market.

37. The policy provides:

**B. Exclusions**

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

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**b. Delay, loss of use or loss of market.**

38. Plaintiff alleges that this definition is ambiguous as to what is meant by “loss of use” or “loss of market.” Plaintiff would allege that any loss of use caused by a covered cause of loss would be covered because the cause of the claim or damage was the covered cause of loss, not the resulting loss of use. Further, Plaintiff would allege that there was not loss of market in terms of business, but instead, the loss of business was caused by the civil authority order, not a loss of market. Finally, Plaintiff is not claiming physical loss or physical damage caused by loss of use or loss or market, and therefore this exclusion should not apply.

39. Plaintiff contends that Defendant has erroneously construed the subject insurance policy as well as this exclusion and that Plaintiff is entitled to recover damages for business interruption due to civil authority.

**D. Acts or Decisions**

40. Defendant’s fourth basis for denial is that the claim is barred based on an exclusion applying to decisions of a person, group, organization or governmental body.

41. The specific policy provides as follows:

**B. Exclusions**

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

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

42. Plaintiff alleges that this exclusion is ambiguous. The exclusion only excludes a loss if the loss was caused by an act or a failure to act or decide, of any person, group, organization or governmental body. Plaintiff would allege the loss is not the result of an action or decision of a governmental body but was caused by the denial of access to the subject properties by civil authority which is expressly covered under the policy.

43. Plaintiff contends that Defendant has erroneously construed the subject insurance policy as well as this exclusion and that Plaintiff is entitled to recover damages for business interruption due to civil authority.

#### **E. Fungi, Bacteria or Virus Exclusion**

44. Defendant's fifth basis for denial was that the policy's virus exclusion applies.

45. The exclusion provides as follows:

#### **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

**This endorsement modified insurance provided under the following:**

#### **COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY**

A. The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of

**civil authority.**

- B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.**

**However, this exclusion does not apply to loss or damage caused by or resulting from “fungus”, wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy**

- C. With respect to any loss or damage subject to the exclusion in Paragraph B, such exclusion supersedes any exclusion relating to “pollutants”.**

- D. The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:**

**1. Exclusion of “Fungus”, Wet Rot, Dry Rot And Bacteria; and**

**2. Additional Coverage – Limited Coverage for “Fungus”, Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.**

- E. The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part of Policy.**

46. Plaintiff alleges that this is the standard Insurance Services Office, Inc. (ISO) language which has been incorporated into Defendant’s policy. Pursuant to ISO themselves, this endorsement was only meant to exclude the cost of damages to either the insured locations or the insured’s products when a virus specifically infected the insured locations. See the attached ISO circular regarding this endorsement attached hereto as **Exhibit “E”**. Because there is no allegation that the insured properties were specifically affected by the COVID-19 virus, this particular exclusion does not apply.

47. The above quoted policy exclusion is ambiguous and unclear as to what is excluded and should be considered as only excluding costs when a virus or bacteria affects the

interior of the insured property or affects the product of the insured. A reasonable interpretation would be that this exclusion does not exclude orders by civil authority regarding covid-19 because covid-19 did not actually affect the interior of the insured locations and therefore the exclusion would not apply.

48. Plaintiff contends that Defendant has erroneously construed the subject insurance policy and that Plaintiff is entitled to recover damages for business interruption due to civil authority.

49. Plaintiff is in doubt of its rights and obligations under the subject policy as to whether Defendant is required to pay the business interruption claim under the terms and conditions of the subject policy.

50. An actual controversy of a justiciable nature as to whether Plaintiff is entitled to recover business interruption damages under the subject policy exists between Plaintiff and Defendant involving the rights and liabilities of Plaintiff and Defendant under the policy of insurance attached hereto and Plaintiff is in doubt as to its rights under the subject policy.

51. The controversy existing between Plaintiff and Defendant may be determined by a judgment of this Honorable Court without the necessity of other law suits.

52. Plaintiff has no other adequate remedy of law.

53. Because of Defendant's wrongful denial of Plaintiff's claim, Defendant has materially breached the terms and conditions of the subject policy.

54. All conditions precedent to recovery under the subject policy have been performed by Plaintiff and their agent or waived by Defendant.

55. Because of Defendant's breach of the subject insurance policy, Plaintiff has had to retain the services of the undersigned attorneys and agreed to pay the undersigned attorneys a

reasonable fee.

WHEREFORE, Plaintiff, CANDOR GRILLE, INC., demands judgment declaring that Defendant, OHIO SECURITY INSURANCE COMPANY, is required to pay Plaintiff the damages resulting from the above business interruption claim and that judgment be entered for Plaintiff's damages, together with interest, costs and reasonable attorneys fees pursuant to Section 627.428, Florida Statutes, together with any such other and further relief which this Honorable Court deems proper and demands trial by jury on all issues so triable.

Dated this 6th day of October, 2020

/s/ *Ronald S. Haynes*

**RONALD S. HAYNES, ESQ.**  
CHRISTOPHER LIGORI & ASSOCIATES  
117 S. Willow Ave.  
Tampa, FL 33606  
(813) 223-2929: Telephone  
(813) 251-6853: Facsimile  
FLORIDA BAR # 153052  
Co-Counsel for Plaintiff  
Service Email: [Pleadings@Ligorilaw.com](mailto:Pleadings@Ligorilaw.com)

/s/ *James Magazine*

**JAMES L. MAGAZINE, ESQUIRE**  
Florida Bar No. 0847232  
LUCAS & MAGAZINE, PLLC  
8606 Government Drive  
New Port Richey, Florida 34654  
(727) 849-5353 [Tel]  
(727) 845-7949 [Fax]  
Primary Email:  
[lucasmagazine@lucasmagazine.com](mailto:lucasmagazine@lucasmagazine.com)  
Co-Counsel for Plaintiff

## AFFIDAVIT

State of Indiana

County of Hamilton

NAME OF INSURED: CANDOR GRILLE INC

POLICY NUMBER: BKS 58164169

POLICY DATES: 07-29-2019 TO 07-29-2020

David Hager, archivist of

Ohio Security Insurance Company has compared the attached copies of the insurance policy number listed above and its endorsements with the original records of the policy of insurance and endorsements contained in the Company's files and that the same is a true and exact recital of all the provisions in the said original policy and endorsements attached thereto.



David Hager  
Policy Copy Archivist

July 27, 2020

**EXHIBIT A**

**Policyholder Information**

**Named Insured & Mailing Address**

CANDOR GRILLE INC  
10150 HIGHLAND MANOR DR  
TAMPA, FL 33610

**Agent Mailing Address & Phone No.**

(813) 689-8878  
FEARNOW INSURANCE, INC  
PO BOX 1788  
MANGO, FL 33550-1788

**Dear Policyholder:**

We know you work hard to build your business. We work together with your agent, **FEARNOW INSURANCE, INC (813) 689-8878** to help protect the things you care about. Thank you for selecting us.

Enclosed are your insurance documents consisting of:

- Commercial Package

To find your specific coverages, limits of liability, and premium, please refer to your Declarations page(s).

If you have any questions or changes that may affect your insurance needs, please contact your Agent at (813) 689-8878



**Reminders**

- Verify that all information is correct
- If you have any changes, please contact your Agent at (813) 689-8878
- In case of a claim, call your Agent or 1-800-362-0000

**THIS IS NOT A BILL**

**You Need To Know**

- CONTINUED ON NEXT PAGE

To report a claim, call your Agent or 1-800-362-0000

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**You Need To Know - continued**

• **NOTICE(S) TO POLICYHOLDER(S)**

The Important Notice(s) to Policyholder(s) provide a general explanation of changes in coverage to your policy. The Important Notice(s) to Policyholder(s) is not a part of your insurance policy and it does not alter policy provisions or conditions. Only the provisions of your policy determine the scope of your insurance protection. It is important that you read your policy carefully to determine your rights, duties and what is and is not covered.

<b>FORM NUMBER</b>	<b>TITLE</b>
CNI90 11 07 18	Reporting A Commercial Claim 24 Hours A Day
NP 72 42 01 15	Terrorism Insurance Premium Disclosure And Opportunity To Reject
NP 74 06 01 06	Flood Insurance Notice
NP 74 44 09 06	U.S. Treasury Department's Office of Foreign Assets Control (OFAC) Advisory Notice to Policyholders
NP 74 50 01 07	Important Audit Information
NP 89 69 11 10	Important Policyholder Information Concerning Billing Practices
NP 90 57 07 11	Florida Notice - Catastrophic Ground Cover Collapse Coverage
NP 96 00 10 14	General Liability Access Or Disclosure Of Confidential Or Personal Information Exclusions Advisory Notice To Policyholders
NP 98 20 01 15	Jurisdictional Boiler And Pressure Vessel Inspections
SNI09 02 06 16	Risk Control Services - Important Information for Florida Policyholders
SNI90 01 12 18	Policyholder Notice - Company Contact Information

- This policy will be direct billed. You may choose to combine any number of policies on one bill with your billing account. Please contact your agent for more information.



## REPORTING A COMMERCIAL CLAIM 24 HOURS A DAY

Liberty Mutual Insurance claims professionals across the United States are ready to resolve your claim quickly and fairly, so you and your team can focus on your business. Our claims teams are specialized, experienced and dedicated to a high standard of service.

### We're Just a Call Away - One Phone Number to Report All Commercial Insurance Claims

Reporting a new claim has never been easier. A Liberty Mutual customer service representative is available to you 24/7 at **800-362-0000** for reporting new property, auto, liability and workers' compensation claims. With contact centers strategically located throughout the country for continuity and accessibility, we're there when we're needed!

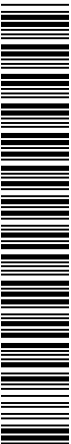
### Additional Resource for Workers' Compensation Customers

In many states, employers are required by law to use state-specific workers compensation claims forms and posting notices. This type of information can be found in the Policyholders Toolkit section of our website along with other helpful resources such as:

- Direct links to state workers compensation websites where you can find state-specific claim forms
- Assistance finding local medical providers
- First Fill pharmacy forms - part of our managed care pharmacy program committed to helping injured workers recover and return to work

Our Policyholder Toolkit can be accessed at [www.libertymutualgroup.com/toolkit](http://www.libertymutualgroup.com/toolkit).

For all claims inquiries please call us at **800-362-0000**.



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CANDOR GRILLE INC

BKS (20) 58 16 41 69

From 07/29/2019 To 07/29/2020

10150 HIGHLAND MANOR DR  
TAMPA, FL 33610

(813) 689-8878  
FEARNOW INSURANCE, INC

PO BOX 1788  
MANGO, FL 33550-1788

**TERRORISM INSURANCE PREMIUM DISCLOSURE  
AND OPPORTUNITY TO REJECT**

**This notice contains important information about the Terrorism Risk Insurance Act and its effect on your policy. Please read it carefully.**

**THE TERRORISM RISK INSURANCE ACT**

The Terrorism Risk Insurance Act, including all amendments ("TRIA" or the "Act"), establishes a program to spread the risk of catastrophic losses from certain acts of terrorism between insurers and the federal government. If an individual insurer's losses from certified acts of terrorism exceed a specified deductible amount, the government will reimburse the insurer for a percentage of losses (the "Federal Share") paid in excess of the deductible, but only if aggregate industry losses from such acts exceed the "Program Trigger". An insurer that has met its insurer deductible is not liable for any portion of losses in excess of \$100 billion per year. Similarly, the federal government is not liable for any losses covered by the Act that exceed this amount. If aggregate insured losses exceed \$100 billion, losses up to that amount may be pro-rated, as determined by the Secretary of the Treasury.

The Federal Share and Program Trigger by calendar year are:

Calendar Year	Federal Share	Program Trigger
2015	85%	\$100,000,000
2016	84%	\$120,000,000
2017	83%	\$140,000,000
2018	82%	\$160,000,000
2019	81%	\$180,000,000
2020	80%	\$200,000,000

**MANDATORY OFFER OF COVERAGE FOR "CERTIFIED ACTS OF TERRORISM" AND DISCLOSURE OF PREMIUM**

TRIA requires insurers to make coverage available for any loss that occurs within the United States (or outside of the U.S. in the case of U.S. missions and certain air carriers and vessels), results from a "certified act of terrorism" AND that is otherwise covered under your policy.

A "certified act of terrorism" means:

[A]ny 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.

- (i) to be an act of terrorism;

- (ii) to be a violent act or an act that is dangerous to -
  - (I) human life;
  - (II) property; or
  - (III) infrastructure;
- (iii) to have resulted in damage within the United States, or outside of the United States in the case of -
  - (I) an air carrier (as defined in section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States); or
  - (II) the premises of a United States mission; and
- (iv) 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.

**REJECTING TERRORISM INSURANCE COVERAGE - WHAT YOU MUST DO**

We have included in your policy coverage for losses resulting from "certified acts of terrorism" as defined above.

THE PREMIUM CHARGE FOR THIS COVERAGE APPEARS ON THE DECLARATIONS PAGE OF THE POLICY AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT. If we are providing you with a quote, the premium charge will also appear on your quote as a separate line item charge.

IF YOU CHOOSE TO REJECT THIS COVERAGE, PLEASE CHECK THE BOX BELOW, SIGN THE ACKNOWLEDGMENT, AND RETURN THIS FORM TO THE ADDRESS BELOW: **Please ensure any rejection is received within thirty (30) days of the effective date of your policy.**

Before making a decision to reject terrorism insurance, refer to the Disclaimer for Standard Fire Policy States located at the end of this Notice.

I hereby reject this offer of coverage. I understand that by rejecting this offer, I will have no coverage for losses arising from "certified acts of terrorism" and my policy will be endorsed accordingly.

Policyholder/Applicant's	Signature	Print Name	Date Signed
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Named Insured	Policy Number
CANDOR GRILLE INC	BKS (20) 58 16 41 69

Policy Effective/Expiration Date  
 From 07/29/2019 To 07/29/2020

**IF YOU REJECTED THIS COVERAGE, PLEASE RETURN THIS FORM TO:**

Attn: Commercial Lines Division - Terrorism  
 PO Box 66400  
 London, KY 40742-6400

**Note:** Certain states (currently CA, GA, IA, IL, ME, MO, NY, NC, NJ, OR, RI, WA, WI and WV) mandate coverage for loss caused by fire following a "certified act of terrorism" in certain types of insurance policies. If you reject TRIA coverage in these states on those policies, you will not be charged any additional premium for that state mandated coverage.

**The summary of the Act and the coverage under your policy contained in this notice is necessarily general in nature. Your policy contains specific terms, definitions, exclusions and conditions. In case of any conflict, your policy language will control the resolution of all coverage questions. Please read your policy carefully.**

If you have any questions regarding this notice, please contact your agent.

## FLOOD INSURANCE NOTICE

Unless a Flood Coverage endorsement is attached, your policy does not provide flood coverage and you will **not** have coverage for property damage from floods unless you purchase a separate policy for flood insurance through the Federal Emergency Management Agency (FEMA) National Flood Insurance Program.

If you would like more information about obtaining coverage under the National Flood Insurance Program, please contact your agent.

**U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN  
ASSETS CONTROL ("OFAC")  
ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

Please refer any questions you may have to your insurance agent.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site - <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.



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## Important Notice Notice to Policyholders

This explanation is not a part of your insurance policy, and it does not alter any of its provisions or conditions.

Please refer any questions you may have to your insurance agent.

We would like to thank you for being a policyholder. We appreciate your business.

If your policy contains a condition stating it is subject to a premium audit we would like to take this opportunity to explain how the audit process works and answer the most common questions we receive from our policyholders. The information in this notice will make it easier for you to prepare for your audit.

### Insurance Premium Audit Facts

Audits can benefit our policyholders by allowing us to collect the appropriate amount of premium for each policy.

Most commercial policies are written based on estimated or fluctuating exposure bases. At the end of the policy term an audit will determine the actual exposure bases and the premium will be adjusted accordingly. A company representative will conduct the audit.

The premium auditor will examine and audit records that relate to your policy. The records necessary to complete the audit will vary, based on the coverages you have. Types of records that may be requested for your audit include, but are not limited to:

- Payroll Records, including 941 forms
- Sales Journals or income statements
- General Ledger
- Cash Disbursements Journal
- Subcontractor Certificates

Keeping accurate and complete records will allow the auditor to properly classify and allocate your exposures correctly. Often there are allowable credits available according to insurance manual classification and rating rules. The premium auditor will be able to give you the credits, to which you are entitled, if your records provide the necessary details. Providing the records your auditor needs can save you time and money as well as expedite the audit process.

### How Audits are Conducted

Audits are handled in different ways, depending on the types of coverages you may have. We conduct audits in the following ways:

**Physical Audit** - An auditor will contact you and set up a convenient time to personally come to your business and review your records.

**Phone Audit** - Forms will be mailed to you, explaining what is necessary to complete a phone audit. The phone auditor will contact you or your bookkeeper for this information.

**Voluntary Audit** - Forms will be mailed to you for completion. We will provide you with contact information if you need assistance in completing the forms.

## Completing the audit

Many states have enacted legislation that governs the time in which an audit must be completed, billed and paid. This applies to audits for cancelled policies as well as regular audits. In order to comply with state regulations, it is important to make your records available for audit when our representative contacts you. We will make every effort to complete the audit within a reasonable time after the close of the policy period stated in your policy.

## Frequently Asked Questions

### **Q: What if I use subcontractors?**

A: Subcontractors are factored in to the audit process. Subcontractors who do not have insurance are treated as though they are your employees at the time of the audit. If your subcontractor furnishes you with a certificate of liability or workers' compensation insurance, your insurance cost for that subcontractor could be less. See your policy for details on limits of insurance required for certificates.

### **Q: I have no employees and work alone. Does the insurance company still need to complete an audit?**

A: Yes. The auditor will need to verify you worked alone by examining business records that may include tax filings, disbursements, and check stubs.

### **Q: Do I need an audit if I have cancelled my policy or am no longer insured with you?**

A: An audit may still be necessary even if you no longer have an active policy with us. The audit would cover the time period for which you were insured by us. Other factors that may determine if an audit is necessary include the time the policy was in effect and the amount of premium involved.

### **Q: If I use leased employees but the leasing company carries the liability, are the leased employees excluded from my General Liability policy?**

A: No. The manual rules stipulate that all leased employees are covered on the insured's policy.

### **Q: Is it necessary to keep records on any casual labor I use?**

A: Yes. Casual labor payroll is examined during the audit.

### **Q: What happens if I do not comply with the audit and fail to provide all necessary records and verification?**

A: It's important to provide the necessary information in order to complete the audit. If you fail to do so, your policy may be cancelled or nonrenewed. You may also receive an estimated audit statement based on increased policy exposure estimates due to non-compliance of audit.

If you would like additional information about the policy audit process, your independent agent can assist you. The Premium Audit Department is also available to answer any questions you may have regarding this process.

Please contact us at 1-888-224-9246 or via E-mail at [PremiumAuditServices@libertymutual.com](mailto:PremiumAuditServices@libertymutual.com)

## IMPORTANT POLICYHOLDER INFORMATION CONCERNING BILLING PRACTICES

**Dear Valued Policyholder:** This insert provides you with important information about our policy billing practices that may affect you. Please review it carefully and contact your agent if you have any questions.

**Premium Notice:** We will mail you a policy Premium Notice separately. The Premium Notice will provide you with specifics regarding your agent, the account and policy billed, the billing company, payment plan, policy number, transaction dates, description of transactions, charges/credits, policy amount balance, minimum amount, and payment due date. This insert explains fees that may apply to and be shown on your Premium Notice.

### Available Premium Payment Plans:

- **Annual Payment Plan:** When this plan applies, you have elected to pay the entire premium amount balance shown on your Premium Notice in full. No installment billing fee applies when the Annual Payment Plan applies.
- **Installment Payment Plan:** When this plan applies, you have elected to pay your policy premium in installments (e.g.: quarterly or monthly installments - Installment Payment Plans vary by state). As noted below, an installment fee may apply when the Installment Payment Plan applies.

The Premium Payment Plan that applies to your policy is shown on the top of your Premium Notice. Please contact your agent if you want to change your Payment Plan election.

**Installment Payment Plan Fee:** If you elected to pay your premiums in installments using the Installment Premium Payment Plan, an installment billing fee applies to each installment bill. The installment billing charge will not apply, however, if you pay the entire balance due when you receive the bill for the first installment. Because the amount of the installment charge varies from state to state, please consult your Premium Notice for the actual fee that applies.

**Dishonored Payment Fee:** Your financial institution may refuse to honor the premium payment withdrawal request you submit to us due to insufficient funds in your account or for some other reason. If that is the case, and your premium payment withdrawal request is returned to us dishonored, a payment return fee will apply. Because the amount of the return fee varies from state to state, please consult your Premium Notice for the actual fee that applies.

**Late Payment Fee:** If we do not receive the minimum amount due on or before the date or time the payment is due, as indicated on your Premium Notice, you will receive a policy cancellation notice effective at a future date that will also reflect a late payment fee charge. Issuance of the cancellation notice due to non-payment of a scheduled installment(s) may result in the billing and collection of all or part of any outstanding premiums due for the policy period. Late Payment Fees vary from state to state and are not applicable in some states.

**Special Note:** Please note that some states do not permit the charging of certain fees. Therefore, if your state does not allow the charging of an Installment Payment Plan, Dishonored Payment or Late Payment Fee, the disallowed fee will not be charged and will not be included on your Premium Notice.

**EFT-Automatic Withdrawals Payment Option:** When you select this option, you will not be sent Premium Notices and, in most cases, will not be charged installment fees. For more information on our EFT-Automatic Withdrawals payment option, refer to the attached policyholder plan notice and enrollment sheet.

Once again, please contact your agent if you have any questions about the above billing practice information.

**Thank you for selecting us to service your insurance needs.**



# FLORIDANOTICE

## CATASTROPHICGROUND COVER COLLAPSECOVERAGE

YOUR POLICY PROVIDES COVERAGE FOR A CATASTROPHIC GROUND COVER COLLAPSE THAT RESULTS IN THE PROPERTY BEING CONDEMNED AND UNINHABITABLE. OTHERWISE, YOUR POLICY DOES NOT PROVIDE COVERAGE FOR SINKHOLE LOSSES. YOU MAY PURCHASE ADDITIONAL COVERAGE FOR SINKHOLE LOSSES FOR AN ADDITIONAL PREMIUM.



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## GENERAL LIABILITY ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION EXCLUSIONS

### ADVISORY NOTICE TO POLICYHOLDERS

Dear Valued Policyholder,

Thank you for selecting us as your carrier for your commercial insurance. Your renewal policy contains an exclusion regarding access or disclosure of personal information. There is more than one version of the exclusion and each is described below. Please note that not all of the forms or changes noted may apply to your specific policy. Any of the forms described in this notice may have comparable state specific forms in lieu of the forms mentioned below. In those situations, the title of the state forms on your policy will generally be very similar to one or more titles mentioned in this notice.

The changes described below would also apply to those state specific forms, unless noted otherwise. In addition, this notice does not reference every change made to the endorsements or coverage forms, only material (or significant) changes.

Please read your policy and review your declarations page for complete coverage information. No coverage is provided by this notice, nor can it be construed to replace any provisions of your policy. If there are discrepancies between your policy and this notice, the provisions of the policy shall prevail. Should you have questions after reviewing the changes outlined below, please contact your broker or agent. Thank you for your business.

With respect to bodily injury and property damage arising out of access or disclosure of confidential or personal information, these changes are a reinforcement of coverage intent. Damages related to data breaches, and certain data-related liability, are not intended to be covered by various liability coverage parts. These types of damages may be more appropriately covered under certain coverage endorsements providing data compromise, attack and extortion and network security liability.

**CG 21 06 05 14 - Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability - With Limited Bodily Injury Exception (For Use With The Commercial General Liability Coverage Part)**

When this endorsement is attached to your policy:

- Under Coverage **A** - Bodily Injury And Property Damage Liability, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.
- Under Coverage **B** - Personal And Advertising Injury Liability, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

**CG 21 07 05 14 - Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability - Limited Bodily Injury Exception Not Included (For Use With The Commercial General Liability Coverage Part)**

When this endorsement is attached to your policy:

- Under Coverage **A** - Bodily Injury And Property Damage Liability, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage. However, when this endorsement is attached, it will result in a reduction of coverage due to the deletion of an exception with respect to damages because of bodily injury arising out of loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

- Under Coverage **B** - Personal And Advertising Injury Liability, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

**CG 21 08 05 14 - Exclusion - Access Or Disclosure Of Confidential Or Personal Information (Coverage B Only) (For Use With The Commercial General Liability Coverage Part)**

When this endorsement is attached to your policy, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

**CG 04 37 05 14 - Electronic Data Liability (For Use With The Commercial General Liability Coverage Part)**

With respect to damages arising out of access or disclosure of confidential or personal information, when this endorsement is attached to your policy:

- Under Coverage **A** - Bodily Injury And Property Damage Liability, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.
- Under Coverage **B** - Personal And Advertising Injury Liability, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

**CG 33 53 05 14 - Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability - With Limited Bodily Injury Exception (For Use With The Owners And Contractors Protective Liability Coverage Part and Products/Completed Operations Coverage Part)**

When this endorsement is attached to your policy, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.

**CG 33 59 05 14 - Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability - Limited Bodily Injury Exception Not Included (For Use With The Owners And Contractors Protective Liability and Products/Completed Operations Liability Coverage Parts)**

When this endorsement is attached to your policy, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.

However, when this endorsement is attached, it will result in a reduction of coverage due to the deletion of an exception with respect to damages because of bodily injury arising out of loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

**CG 33 63 05 14 - Exclusion - Access, Disclosure Or Unauthorized Use Of Electronic Data (For Use With The Electronic Data Liability Coverage Part)**

With respect to damages arising out of access or disclosure of confidential or personal information, when this endorsement is attached to your policy coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.

However, to the extent that damages arising out of theft or unauthorized viewing, copying, use, corruption, manipulation or deletion, of electronic data by any Named Insured, past or present employee, temporary worker or volunteer worker of the Named Insured may extend beyond loss of electronic data arising out of such theft or the other listed items, this revision may be considered a reduction in coverage.

## JURISDICTIONAL BOILER AND PRESSURE VESSEL INSPECTIONS

Most jurisdictions (cities or states) are governed by laws and regulations that require owners of boilers and pressure vessels to have their equipment inspected on a routine basis. Jurisdictions require that equipment is installed and operated according to these regulations, and it is the equipment breakdown engineering inspector's responsibility to verify the equipment complies with all requirements.

Liberty Mutual Equipment Breakdown is a National Board Accredited Authorized Inspection Agency. This designation is recognized by authorities having jurisdictions in the U.S. & provinces of Canada and gives Liberty Mutual commissioned inspectors the ability to perform jurisdictionally required inspection on boilers and pressure vessels at insured locations. We have field inspectors strategically located throughout the U.S. to perform boiler and pressure vessel inspection for our customers and clients.

**To request a Jurisdictional Inspection please:**

- **Call the LMEB Hotline (877) 526-0020**

**Or**

- **Email your request to [LMEBInspections@Libertymutual.com](mailto:LMEBInspections@Libertymutual.com)**

The assigned EB Risk Engineer will call to schedule within 24 - 48 hours. When requesting an inspection please include the following:

- Current Policy Number
- Location Address
- Contact Name
- Contact Phone Number and/or Email Address

## RISK CONTROL SERVICES - IMPORTANT INFORMATION FOR FLORIDA POLICYHOLDERS

Through its Risk Control Services department, Liberty Mutual Insurance has safety consultation services that are available to policyholders. We have found that some of these services are consistent with your workplace hazards. These services may be available to you as our policyholder at no additional cost.

To obtain further information about our safety consultation services, please contact our Risk Control Consulting Center at 1-866-757-7324 or email [RCConsultingCenter@LibertyMutual.com](mailto:RCConsultingCenter@LibertyMutual.com).



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## POLICYHOLDER NOTICE - COMPANY CONTACT INFORMATION

In the event you need to contact someone about this policy for any reason, please contact your Sales Representative or Producer of Record as shown on the policy Declarations or Information Page.

If you have additional questions, you may contact the company at the following address:

**Liberty Mutual Insurance**  
**175 Berkeley Street**  
**Boston, MA 02116**  
**+1 (800) 344-0197**

Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

**Common Policy Declarations**

**Named Insured & Mailing Address**

CANDOR GRILLE INC  
10150 HIGHLAND MANOR DR  
TAMPA, FL 33610

**Agent Mailing Address & Phone No.**

(813) 689-8878  
FEARNOW INSURANCE, INC  
PO BOX 1788  
MANGO, FL 33550-1788

**Named Insured Is:** CORPORATION

**Named Insured Business Is:** RESTAURANT WITH BURGERS FRIES

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

**SUMMARY OF COVERAGE PARTS AND CHARGES - CUSTOM PROTECTOR**

This policy consists of this Common Policy Declarations page, Common Policy Conditions, Coverage Parts (which consist of coverage forms and other applicable forms and endorsements, if any, issued to form a part of them) and any other forms and endorsements issued to be part of this policy.

<b>COVERAGE PART</b>	<b>CHARGES</b>
Commercial Property	\$4,500.50
Commercial Inland Marine	\$1,284.00
Commercial General Liability	\$6,984.00
Liquor Liability	\$658.00
Employment Practices Liability	\$100.00

*Total Charges for all of the above coverage parts: \$13,526.50*  
*Certified Acts of Terrorism Coverage: \$54.00 (Included)*

*Note: This is not a bill*

**IMPORTANT MESSAGES**

- This policy is auditable. Please refer to the conditions of the policy for details or contact your agent.
- Notice: The Employment-Related Practices Exclusion CG 21 47 is added to this policy to clarify there is no coverage for liability arising out of employment-related practices. Please read this endorsement carefully.

**. COINSURANCE CONTRACT: THE RATE CHARGED IN THIS POLICY IS BASED UPON THE USE OF THE CO-INSURANCE CLAUSE ATTACHED TO THIS POLICY WITH THE CONSENT OF THE INSURED**

Issue Date 05/30/19

Authorized Representative

To report a claim, call your Agent or 1-800-366-6446

DS 70 21 11 16

**Common Policy Declarations**

**Named Insured**

**Agent**

CANDOR GRILLE INC  
10150 HIGHLAND MANOR DR  
TAMPA, FL 33610

(813) 689-8878  
FEARNOW INSURANCE, INC  
PO BOX 1788  
MANGO, FL 33550-1788

**SUMMARY OF LOCATIONS**

This policy provides coverage for the following under one or more coverage parts. Please refer to the individual Coverage Declarations Schedules, or, the individual Coverage Forms for locations or territory definition for that specific Coverage Part.

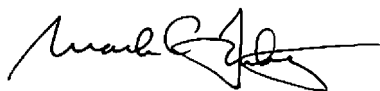
- 0001 10150 Highland Manor Dr, Tampa, FL 33610-9713
- 0002 13418 Boyette Rd, Riverview, FL 33569-5706

**POLICY FORMS AND ENDORSEMENTS**

This section lists the Forms and Endorsements for your policy. Refer to these documents as needed for detailed information concerning your coverage.

FORM NUMBER	TITLE
CG 00 01 04 13	Commercial General Liability Coverage Form - Occurrence
CG 00 33 04 13	Liquor Liability Coverage Form - Occurrence
CG 02 20 03 12	Florida Changes - Cancellation And Nonrenewal
CG 20 11 04 13	Additional Insured - Managers Or Lessors Of Premises
CG 21 06 05 14	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception
CG 21 47 12 07	Employment-Related Practices Exclusion
CG 21 67 12 04	Fungi or Bacteria Exclusion
CG 21 70 01 15	Cap on Losses from Certified Acts of Terrorism
CG 24 07 01 96	Products/Completed Operations Hazard Redefined
CG 24 26 04 13	Amendment of Insured Contract Definition
CG 80 61 05 11	Amendment of Cancellation Provisions
CG 85 00 04 12	Florida Changes - Non-Cumulation Of Liability Limits Same Occurrence
CG 88 10 04 13	Commercial General Liability Extension

In witness whereof, we have caused this policy to be signed by our authorized officers.



Mark Touhey  
Secretary



Paul Condrin  
President

To report a claim, call your Agent or 1-800-362-0000  
DS 70 21 11 16



Coverage Is Provided In:  
Ohio Security Insurance Company

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

**Common Policy Declarations**

**Named Insured**

**Agent**

CANDOR GRILLE INC  
10150 HIGHLAND MANOR DR  
TAMPA, FL 33610

(813) 689-8878  
FEARNOW INSURANCE, INC  
PO BOX 1788  
MANGO, FL 33550-1788

**POLICY FORMS AND ENDORSEMENTS - CONTINUED**

This section lists all of the Forms and Endorsements for your policy. Refer to these documents as needed for detailed information concerning your coverage.

**FORM NUMBER**

**TITLE**

CG 88 60 12 08	Each Location General Aggregate Limit
CG 88 61 12 08	Property Damage - Customers' Goods
CG 88 63 12 08	Valet Parking Liability Endorsement
CG 88 66 12 08	Property Damage - Borrowed Equipment
CG 88 77 12 08	Medical Expense At Your Request Endorsement
CG 88 86 12 08	Exclusion - Asbestos Liability
CG 89 01 12 08	Hired Auto And Non-Owned Auto Liability
CG 89 02 12 08	Employment Practices Liability Coverage Form
CL 01 00 03 99	Common Policy Conditions
CL 01 60 02 16	Amendatory Endorsement - Florida
CL 06 00 01 15	Certified Terrorism Loss
CL 07 00 10 06	Virus or Bacteria Exclusion
CM 76 13 07 13	Waiver of Theft Deductible
CP 00 10 06 07	Building and Personal Property Coverage Form
CP 00 30 06 07	Business Income (and Extra Expense) Coverage Form
CP 00 90 07 88	Commercial Property Conditions
CP 01 25 02 12	Florida Changes
CP 01 40 07 06	Exclusion of Loss Due to Virus or Bacteria
CP 03 21 06 07	Windstorm or Hail Percentage Deductible
CP 10 30 06 07	Causes of Loss - Special Form
CP 10 32 08 08	Water Exclusion Endorsement
CP 70 02 01 01	General Endorsement
CP 72 93 06 03	Fungus, Wet Rot, Dry Rot and Bacteria Exclusion - Florida
CP 88 04 03 10	Removal Permit

To report a claim, call your Agent or 1-800-362-0000

DS 70 21 11 16

Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

### Common Policy Declarations

Named Insured	Agent
CANDOR GRILLE INC 10150 HIGHLAND MANOR DR TAMPA, FL 33610	(813) 689-8878 FEARNOW INSURANCE, INC PO BOX 1788 MANGO, FL 33550-1788

### POLICY FORMS AND ENDORSEMENTS - CONTINUED

This section lists all of the Forms and Endorsements for your policy. Refer to these documents as needed for detailed information concerning your coverage.

FORM NUMBER	TITLE
CP 88 44 02 15	Equipment Breakdown Coverage Endorsement
CP 90 00 12 14	Custom Protector Endorsement
IL 00 17 11 98	Common Policy Conditions
IL 00 21 09 08	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
IL 01 75 09 07	Florida Changes - Legal Action Against Us
IL 02 55 03 16	Florida Changes-Cancellation and Nonrenewal
IL 04 01 02 12	Florida - Sinkhole Loss Coverage
IL 04 15 04 98	Protective Safeguards
IL 09 35 07 02	Exclusion of Certain Computer-Related Losses
IL 09 52 01 15	Cap On Losses From Certified Acts Of Terrorism
IL 88 36 01 15	Cap On Losses From Certified Acts Of Terrorism
IL 88 38 01 15	Exclusion of Punitive Damages Related to a Certified Act of Terrorism
IM 20 19 08 09	Amendatory Endorsement - Florida
IM 70 00 04 04	Contractors' Equipment Coverage
IM 78 54 04 04	Loss Payable Options
IM 79 02 04 04	Loss Payable Schedule
NP 74 26 04 13	Notice to Policyholder Fully Earned Minimum Premium Endorsements

To report a claim, call your Agent or 1-800-362-0000

DS 70 21 11 16

Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

**Commercial Property  
Declarations**

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

**Named Insured**

**Agent**

CANDOR GRILLE INC

(813) 689-8878  
FEARNOW INSURANCE, INC

**SUMMARY OF CHARGES**

<b>Explanation of Charges</b>	<b>DESCRIPTION</b>	<b>PREMIUM</b>
	<b>Property Schedule Totals</b>	<b>\$4,474.00</b>
	<b>FL Emergency Management Preparedness &amp; Assistance Trust Fund Surcharge</b>	<b>\$4.00</b>
	<b>FL Fire College Trust Fund</b>	<b>\$4.50</b>
	<b>Certified Acts of Terrorism Coverage</b>	<b>\$18.00</b>

**Total Advance Charges: \$4,500.50**

*Note: This is not a bill*

To report a claim, call your Agent or 1-800-362-0000

DS 70 22 01 08

Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

**Commercial Property  
Declarations Schedule**

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

**Named Insured**

**Agent**

CANDOR GRILLE INC

(813) 689-8878  
FEARNOW INSURANCE, INC

**SUMMARY OF PROPERTY COVERAGES - BY LOCATION**

Insurance at the described premises applies only for coverages for which a limit of insurance is shown. Optional coverages apply only when entries are made in this schedule.

0001 10150 Highland Manor Dr, Tampa, FL 33610-9713

**Property  
Characteristics**

**Description:**

**Construction:** Non-Combustible

**Your Business  
Personal Property  
Coverage**

**Occupancy:** Restaurants - With No Sale of Alcoholic Beverages -  
Without Table Service With Seating With Cooking

**Description**

Limit of Insurance - Replacement Cost	<b>\$62,424</b>
Coinsurance	<b>80%</b>
Inflation Guard - Annual Increase	<b>2%</b>
<b>Covered Causes of Loss</b>	
Special Form - Including Theft	
Sinkhole Loss	<b>INCLUDED</b>
Deductible - All Covered Causes of Loss Unless Otherwise Stated	<b>\$2,500</b>
Deductible - Windstorm or Hail	<b>5%</b>

**Premium \$531.00**

To report a claim, call your Agent or 1-800-362-0000

DS 70 23 01 08

Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

**Commercial Property  
Declarations Schedule**

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

**Named Insured**

**Agent**

CANDOR GRILLE INC

(813) 689-8878  
FEARNOW INSURANCE, INC

**SUMMARY OF PROPERTY COVERAGES - BY LOCATION**

Continuation of 10150 Highland Manor Dr, Tampa, FL 33610-9713

**Business Income  
and Extra Expense  
Coverage**

**Description**

Limit of Insurance - Including Rental Value **\$26,010**

Monthly Limit of Indemnity **1/3**

**Covered Causes of Loss**

Special Form - Including Theft

Sinkhole Loss **INCLUDED**

**Premium \$174.00**

**Equipment  
Breakdown  
Coverage**

This Equipment Breakdown insurance applies to the coverages shown for this location. The Equipment Breakdown limit(s) of insurance and deductible are included in, and not in addition to, the limits and deductible shown for the Building, Your Business Personal Property, Your Business Personal Property of Others, Tenants Improvements and Betterments, Business Income and Extra Expense, Business Income Without Extra Expense, and Extra Expense coverages.

**Premium \$12.00**

0002 13418 Boyette Rd, Riverview, FL 33569-5706

**Property  
Characteristics**

**Description:**

**Construction:** Masonry Non-Combustible

To report a claim, call your Agent or 1-800-362-0000

DS 70 23 01 08



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of 222

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Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

**Commercial Property  
Declarations Schedule**

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

**Named Insured**

**Agent**

CANDOR GRILLE INC

(813) 689-8878  
FEARNOW INSURANCE, INC

**SUMMARY OF PROPERTY COVERAGES - BY LOCATION**

*Continuation of 13418 Boyette Rd, Riverview, FL 33569-5706*

**Your Business  
Personal Property  
Coverage**

**Occupancy:** Restaurants - With No Sale of Alcoholic Beverages -  
Without Table Service With Seating With Cooking

**Description**

Limit of Insurance - Replacement Cost	\$331,500
Coinsurance	80%
Inflation Guard - Annual Increase	2%

**Covered Causes of Loss**

Special Form - Including Theft	
Deductible - All Covered Causes of Loss Unless Otherwise Stated	\$2,500
Deductible - Windstorm or Hail	5%

**Premium \$1,627.00**

**Business Income  
and Extra Expense  
Coverage**

**Description**

Limit of Insurance - Including Rental Value	\$306,000
Monthly Limit of Indemnity	1/3

**Covered Causes of Loss**

Special Form - Including Theft

**Premium \$2,044.00**

**Equipment  
Breakdown  
Coverage**

This Equipment Breakdown insurance applies to the coverages shown for this location. The Equipment Breakdown limit(s) of insurance and deductible are included in, and not in addition to, the limits and deductible shown for the Building, Your Business Personal Property, Your Business Personal Property of Others, Tenants Improvements and Betterments, Business Income and Extra Expense, Business Income Without Extra Expense, and Extra Expense coverages.

**Premium \$86.00**

To report a claim, call your Agent or 1-800-362-0000

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**Coverage Is Provided In:**

Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

**Commercial Property  
Declarations Schedule**

Policy Number:

**BKS (20) 58 16 41 69**

Policy Period:

**From 07/29/2019 To 07/29/2020**

*12:01 am Standard Time  
at Insured Mailing Location*

**Named Insured**

**Agent**

CANDOR GRILLE INC

(813) 689-8878

FEARNOW INSURANCE, INC

**SUMMARY OF OTHER PROPERTY COVERAGES**

<b>Property Extension Endorsement</b>	<b>Description</b>	<i>Premium</i>	<i>Included</i>
	Custom Protector Core Endorsement		\$ .00
<b>Commercial Property Schedule Total:</b>			<b>\$4,474.00</b>



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To report a claim, call your Agent or 1-800-362-0000

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Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

**Commercial Inland Marine  
Declarations**

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

**Named Insured**

**Agent**

CANDOR GRILLE INC

(813) 689-8878  
FEARNOW INSURANCE, INC

**SUMMARY OF CHARGES**

<b>Explanation of Charges</b>	<b>DESCRIPTION</b>	<b>PREMIUM</b>
	<u>Contractors Equipment with Small Tools</u>	<u>\$1,279.00</u>
	<u>Commercial Inland Marine Schedule Totals</u>	<u>\$1,279.00</u>
	<u>Certified Acts of Terrorism Coverage</u>	<u>\$5.00</u>

**Total Advance Charges: \$1,284.00**

*Note: This is not a bill*

To report a claim, call your Agent or 1-800-362-0000

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**SCHEDULE OF COVERAGES**  
**CONTRACTORS' EQUIPMENT**

(The entries required to complete this schedule will be shown below or on the "schedule of coverages".)

**PROPERTY COVERED**

(check one)

Scheduled Equipment (Refer to Equipment Schedule)

Schedule On File

**"LIMIT"**

**Catastrophe Limit** -- The most "we" pay for loss in any one occurrence is: \$ 38,465

**COVERAGE EXTENSIONS**

Additional Debris Removal Expenses \$ 5,000

**SUPPLEMENTAL COVERAGES**

Employee Tools \$ 5,000

Equipment Leased or Rented From Others \$ 25,000

Newly Purchased Equipment (check one)

Percentage of Catastrophe Limit 30 %

Dollar Limit \$

Pollutant Cleanup and Removal \$ 25,000

Rental Reimbursement

-- Reimbursement Limit \$ 5,000

-- Waiting Period 72 Hours

Spare Parts and Fuel \$ 5,000



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**EQUIPMENT SCHEDULE  
CONTRACTORS' EQUIPMENT  
VALUATION BASIS**

(The entries required to complete this schedule  
will be shown below or on the "schedule of coverages".)

**SCHEDULED EQUIPMENT**

**AA** = Agreed Amount      **ACV** = Actual Cash Value      **RP** = Replacement Cost

<b>Item No.</b>	<b>Valuation</b>	<b>Description of Equipment</b>	<b>"Limit"</b>
1	ACV	MISC EQUIPMENT	\$ 38,465
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$

Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

**Commercial General Liability**

**Declarations**

Basis: Occurrence

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

**Named Insured**

**Agent**

CANDOR GRILLE INC

(813) 689-8878  
FEARNOW INSURANCE, INC

**SUMMARY OF LIMITS AND CHARGES**

<b>Commercial General Liability Limits of Insurance</b>	<b>DESCRIPTION</b>	<b>LIMIT</b>
	Each Occurrence Limit	1,000,000
	Damage To Premises Rented To You Limit (Any One Premises)	300,000
	Medical Expense Limit (Any One Person)	15,000
	Personal and Advertising Injury Limit	1,000,000
	General Aggregate Limit (Other than Products - Completed Operations)	2,000,000
	Products - Completed Operations Aggregate Limit	2,000,000

<b>Explanation of Charges</b>	<b>DESCRIPTION</b>	<b>PREMIUM</b>
	General Liability Schedule Totals	6,956.00
	Certified Acts of Terrorism Coverage	28.00

**Total Advance Charges:**

**\$6,984.00**

*Note: This is not a bill*

To report a claim, call your Agent or 1-800-362-0000

DS 70 22 01 08

Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

**Commercial General Liability  
Declarations Schedule**

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

**Named Insured**

**Agent**

CANDOR GRILLE INC

(813) 689-8878  
FEARNOW INSURANCE, INC

**SUMMARY OF CLASSIFICATIONS - BY LOCATION**

0001 10150 Highland Manor Dr, Tampa, FL 33610-9713

Insured: CANDOR GRILLE INC

**CLASSIFICATION - 16901**

Restaurants - With No Sale of Alcoholic Beverages -  
Without Table Service With Seating

COVERAGE DESCRIPTION	PREMIUM BASED ON -	RATED / PER 1,000	PREMIUM
Premise/Operations	306,000 Dollars Of Gross Sales	5.116	\$1,565.00
<i>Total:</i>			<i>\$1,565.00</i>
Products/Completed Operations		.960	\$294.00
<i>Total:</i>			<i>\$294.00</i>

**CLASSIFICATION - 53374**

Food Products Mfg. - Dry

COVERAGE DESCRIPTION	PREMIUM BASED ON -	RATED / PER 1,000	PREMIUM
Premise/Operations	1,224 Dollars Of Gross Sales	.845	\$1.00
<i>Total:</i>			<i>\$1.00</i>
Products/Completed Operations		1.290	\$2.00
<i>Total:</i>			<i>\$2.00</i>

To report a claim, call your Agent or 1-800-362-0000

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Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

**Commercial General Liability  
Declarations Schedule**

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

**Named Insured**

**Agent**

CANDOR GRILLE INC

(813) 689-8878  
FEARNOW INSURANCE, INC

**SUMMARY OF CLASSIFICATIONS - BY LOCATION**

0002 13418 Boyette Rd, Riverview, FL 33569-5706

Insured: CANDOR GRILLE INC

**CLASSIFICATION - 16901**

Restaurants - With No Sale of Alcoholic Beverages -  
Without Table Service With Seating

COVERAGE DESCRIPTION	PREMIUM BASED ON -	RATED / PER 1,000	PREMIUM
Premise/Operations	759,900 Dollars Of Gross Sales	5.116	\$3,888.00
<i>Total:</i>			\$3,888.00
Products/Completed Operations		.960	\$730.00
<i>Total:</i>			\$730.00

**SUMMARY OF OTHER COVERAGE**

COVERAGE DESCRIPTION	PREMIUM
Hired Auto Liability	See Policy Forms and Endorsements List. \$40.00
Non-Owned Auto Liability	See Policy Forms and Endorsements List. \$70.00
Restaurant Custom Protector Coverages	See Policy Forms and Endorsements List. \$326.00
CG20110413 Additional Insured - Managers or Lessors of Premises	\$40.00

**Commercial General Liability Schedule Total \$6,956.00**

To report a claim, call your Agent or 1-800-362-0000

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Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

**Liquor Liability**

**Declarations**

Basis: Occurrence

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

**Named Insured**

**Agent**

CANDOR GRILLE INC

(813) 689-8878  
FEARNOW INSURANCE, INC

**SUMMARY OF LIMITS AND CHARGES**

<b>Liquor Liability Limits of Insurance</b>	<b>DESCRIPTION</b>	<b>LIMIT</b>
	Each Common Cause Limit	1,000,000
	Aggregate Limit	2,000,000

<b>Explanation of Charges</b>	<b>DESCRIPTION</b>	<b>PREMIUM</b>
	Liquor Liability	655.00
	Certified Acts of Terrorism Coverage	3.00

**Total Advance Charges: \$658.00**  
*Note: This is not a bill*

To report a claim, call your Agent or 1-800-362-0000

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Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

**Liquor Liability  
Declarations Schedule**

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

**Named Insured**

**Agent**

CANDOR GRILLE INC

(813) 689-8878  
FEARNOW INSURANCE, INC

**SUMMARY OF CLASSIFICATIONS - BY LOCATION - continued**

0002 13418 Boyette Rd, Riverview, FL 33569-5706

Insured: CANDOR GRILLE INC

**CLASSIFICATION - 58161**

Restaurants, Hotels, Motels Including Package Sales

<b>COVERAGE DESCRIPTION</b>	<b>PREMIUM BASED ON -</b>	<b>RATED / PER 1,000</b>	<b>PREMIUM</b>
Liquor Liability	153,000 Dollars Of Gross Sales	4.278	\$655.00
<i>Total:</i>			<i>\$655.00</i>

**Liquor Liability Schedule Total**

**\$655.00**

To report a claim, call your Agent or 1-800-362-0000

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Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

**Employment Practices Liability**

**Declarations**

Basis: Claims Made and Reported Coverage

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

THIS INSURANCE PROVIDES CLAIMS MADE COVERAGE. ANY DEFENSE EXPENSES PAID UNDER THIS COVERAGE PART WILL REDUCE THE AVAILABLE LIMITS OF INSURANCE AND MAY EXHAUST THEM COMPLETELY. DEFENSE EXPENSES MEANS REASONABLE AND NECESSARY FEES, COSTS AND EXPENSES RESULTING SOLELY FROM THE INVESTIGATION, LEGAL DEFENSE AND LEGAL APPEAL OF A CLAIM AGAINST THE INSURED, BUT EXCLUDING SALARIES OF OFFICERS AND EMPLOYEES OF THE INSURER. READ YOUR COVERAGE FORM CAREFULLY.

**Named Insured**

**Agent**

CANDOR GRILLE INC

(813) 689-8878  
FEARNOW INSURANCE, INC

**SUMMARY OF LIMITS AND CHARGES**

**Employment Practices Liability Limits of Insurance**

DESCRIPTION	LIMIT
Each Claim Limit	25,000
Aggregate Limit	25,000
This Coverage is subject to a \$5,000. Per Claim Deductible	
Coinsurance Participation 0 %	
Subject to a Maximum of: \$0 Each Claim	
Retroactive Date: 07/29/2017	

**Explanation of Charges**

DESCRIPTION	PREMIUM
Employment Practices Liability	100.00

**Total Advance Charges:**

**\$100.00**

*Note: This is not a bill*

To report a claim, call your Agent or 1-800-362-0000

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Coverage Is Provided In:  
Ohio Security Insurance Company

175 Berkeley St., Boston, MA 02116

**Employment Practices Liability  
Declarations Schedule**

Policy Number:  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

**Named Insured**

**Agent**

CANDOR GRILLE INC

(813) 689-8878  
FEARNOW INSURANCE, INC

**SUMMARY OF CLASSIFICATIONS**

0001 10150 Highland Manor Dr, Tampa, FL 33610-9713

Insured: CANDOR GRILLE INC

**CLASSIFICATION -**

Employment Practices Liability - Claims Made

<b>COVERAGE DESCRIPTION</b>	<b>PREMIUM BASED ON</b>	<b>PREMIUM</b>
Employment Practices Liability	4 Employee(s)	\$100.00
<i>Total:</i>		<i>\$100.00</i>

**Employment Practices Liability Schedule Total** **\$100.00**

To report a claim, call your Agent or 1-800-362-0000

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## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

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

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

### SECTION I - COVERAGES

#### COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

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

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

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

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - (2) The "bodily injury" or "property damage" occurs during the policy period; and
  - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

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

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

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

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

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

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

(a) The supervision, hiring, employment, training or monitoring of others by that insured; or

(b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

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

### d. Workers' Compensation And Similar Laws

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

### e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

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

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

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

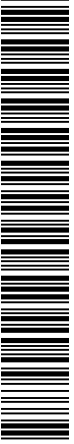
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- (i) Any insured; or
- (ii) Any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

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



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the operations being performed by such insured, contractor or subcontractor;

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

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**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

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

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

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

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

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

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

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

**k. Damage To Your Product**

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

**l. Damage To Your Work**

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

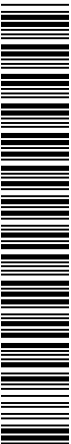
This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

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

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

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.



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**n. Recall Of Products, Work Or Impaired Property**

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

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

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

**o. Personal And Advertising Injury**

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

**p. Electronic Data**

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

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

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section **III** - Limits Of Insurance.

**COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

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

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

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages **A** and **B**.

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

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## 2. Exclusions

This insurance does not apply to:

### a. **Knowing Violation Of Rights Of Another**

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

### b. **Material Published With Knowledge Of Falsity**

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

### c. **Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

### d. **Criminal Acts**

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

### e. **Contractual Liability**

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

### f. **Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

### g. **Quality Or Performance Of Goods - Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

### h. **Wrong Description Of Prices**

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

### i. **Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

### j. **Insureds In Media And Internet Type Businesses**

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

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a., b. and c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

### k. **Electronic Chatrooms Or Bulletin Boards**

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

### l. **Unauthorized Use Of Another's Name Or Product**

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

### m. **Pollution**

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

**n. Pollution-related**

Any loss, cost or expense arising out of any:

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

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

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

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**COVERAGE C - MEDICAL PAYMENTS**

**1. Insuring Agreement**

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

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**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

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

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletics contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**

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

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

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

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

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - (1) Agrees in writing to:
    - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
    - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - (c) Notify any other insurer whose coverage is available to the indemnitee; and
    - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and



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- (2) Provides us with written authorization to:
  - (a) Obtain records and other information related to the "suit"; and
  - (b) Conduct and control the defense of the indemnitee in such "suit".

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

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

**SECTION II - WHO IS AN INSURED**

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

- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
- 2. Each of the following is also an insured:
  - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
    - (1) "Bodily injury" or "personal and advertising injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
      - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
      - (d) Arising out of his or her providing or failing to provide professional health care services.
    - (2) "Property damage" to property:
      - (a) Owned, occupied or used by;
      - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

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- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

**SECTION III - LIMITS OF INSURANCE**

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
- 2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage **C**;

- b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage **B**.
- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
  - 4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
  - 5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
    - a. Damages under Coverage **A**; and
    - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
  - 6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
  - 7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

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

**SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**

- 1. **Bankruptcy**  
Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.



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**2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

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

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

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

**3. Legal Action Against Us**

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

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

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

**4. Other Insurance**

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

**a. Primary Insurance**

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

**b. Excess Insurance**

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** - Coverage **A** - Bodily Injury And Property Damage Liability.

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(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

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

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

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

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

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

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit**

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

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**6. Representations**

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

**7. Separation Of Insureds**

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

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

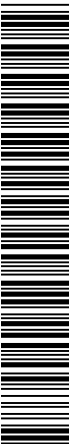
**8. Transfer Of Rights Of Recovery Against Others To Us**

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

**9. When We Do Not Renew**

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

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



**SECTION V - DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

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

2. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- c. All other parts of the world if the injury or damage arises out of:
  - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
  - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

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

- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
- 9. "Insured contract" means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;

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- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

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

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

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

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;



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

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

- 13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - f. The use of another's advertising idea in your "advertisement"; or
  - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- 15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - (1) Products that are still in your physical possession; or
  - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
    - (a) When all of the work called for in your contract has been completed.
    - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
    - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

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

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

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- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- 18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

- 19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

- 20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

- 21. "Your product":

- a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You;
  - (b) Others trading under your name; or
  - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

- b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

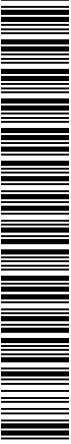
- 22. "Your work":

- a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

- b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.



## LIQUOR LIABILITY COVERAGE FORM

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

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

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

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

### SECTION I - LIQUOR LIABILITY COVERAGE

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "injury" to which this insurance applies if liability for such "injury" is imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage. 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 "injury" to which this insurance does not apply. We may, at our discretion, investigate any "injury" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

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

- b. This insurance applies to "injury" only if:
- (1) The "injury" occurs during the policy period in the "coverage territory"; and

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

- c. "Injury" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim, includes any continuation, change or resumption of that "injury" after the end of the policy period.
- d. "Injury" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim:
- (1) Reports all, or any part, of the "injury" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "injury"; or
  - (3) Becomes aware by any other means that "injury" has occurred or has begun to occur.

#### 2. Exclusions

This insurance does not apply to:

##### a. Expected Or Intended Injury

"Injury" 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. Workers' Compensation And Similar Laws**

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

**c. Employer's Liability**

"Bodily injury" to:

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

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

**d. Liquor License Not In Effect**

"Injury" arising out of any alcoholic beverage sold, served or furnished while any required license is not in effect.

**e. Your Product**

"Injury" arising out of "your product." This exclusion does not apply to "injury" for which the insured or the insured's indemnitees 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.

**f. Other Insurance**

Any "injury" with respect to which other insurance is afforded, or would be afforded but for the exhaustion of the limits of insurance.

This exclusion does not apply if the other insurance responds to liability for "injury" imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage.

**g. War**

"Injury", however caused, arising, directly or indirectly, out of:

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

**SUPPLEMENTARY PAYMENTS**

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

- 1. All expenses we incur.
- 2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- 3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- 4. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- 5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- 6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
- 7. Expenses incurred by the insured for first aid administered to others at the time of an event to which this insurance applies.

These payments will not reduce the limits of insurance.

**SECTION II - WHO IS AN INSURED**

- 1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds.



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- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
- a. Your "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" is an insured for:
    - (1) "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 that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (a) above; or
      - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (a) or (b) above.
    - (2) "Property damage" to property:
      - (a) Owned or occupied by; or
      - (b) Rented or loaned;

to that "employee", any of your other "employees", by any of your partners or members (if you are a partnership or joint venture), or by any of your members (if you are a limited liability company).

- b. Any person or organization having 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.
  - c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if 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; and
  - b. Coverage does not apply to "injury" that occurred before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for all "injury" as the result of the selling, serving or furnishing of alcoholic beverages.
3. Subject to the Aggregate Limit, the Each Common Cause Limit is the most we will pay for all "injury" sustained by one or more persons or organizations as the result of the selling, serving or furnishing of any alcoholic beverage to any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period

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

#### SECTION IV- LIQUOR LIABILITY CONDITIONS

##### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### 2. Duties In The Event Of Injury, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "injury" which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "injury" took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any "injury".

b. If a claim is made or "suit" is brought against any insured, you must:

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

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

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "injury" to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### 3. Legal Action Against Us

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

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

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

##### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

###### a. Primary Insurance

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **b.** below.

###### b. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

##### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit



and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

## 6. Representations

By accepting this policy, you agree:

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

## 7. Separation Of Insureds

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

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

## 8. Transfer Of Rights Of Recovery Against Others To Us

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

## 9. When We Do Not Renew

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

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

## SECTION V - DEFINITIONS

- 1. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 2. "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" occurs in the course of

travel or transportation between any places included in Paragraph a. above; or

- c. All other parts of the world if the "injury" arises out of:
  - (1) Goods or products made or sold by you in the territory described in Paragraph a. above; or
  - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business;

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

- 3. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 4. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- 5. "Injury" means damages because of "bodily injury" and "property damage", including damages for care, loss of services or loss of support.
- 6. "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".
- 7. "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.
- 8. "Suit" means a civil proceeding in which damages because of "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.

9. "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.

10. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

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

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## FLORIDA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
ELECTRONIC DATA LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

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

**2. Cancellation Of Policies In Effect**

**a. For 90 Days Or Less**

If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the reasons for cancellation, at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
  - (a) A material misstatement or misrepresentation; or
  - (b) A failure to comply with the underwriting requirements established by the insurer.

**b. For More Than 90 Days**

If this policy has been in effect for more than 90 days, we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) The policy was obtained by a material misstatement;
- (3) Failure to comply with underwriting requirements established by the insurer within 90 days of the effective date of coverage;

(4) A substantial change in the risk covered by the policy; or

(5) The cancellation is for all insureds under such policies for a given class of insureds.

If we cancel this policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the reasons for cancellation, at least:

- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (b) 45 days before the effective date of cancellation if we cancel for any of the other reasons stated in Paragraph 2.b.

B. Paragraph 3. of the **Cancellation** Common Policy Condition is replaced by the following:

3. We will mail or deliver our notice to the first Named Insured at the last mailing address known to us.

C. Paragraph 5. of the **Cancellation** Common Policy Condition is replaced by the following:

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. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect, unless this is an audit policy.

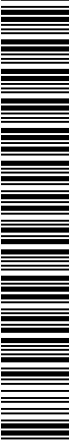
If this is an audit policy, then, subject to your full cooperation with us or our agent in securing the necessary data for audit, we will return any premium refund due within 90 days of the date cancellation takes effect. If our audit is not completed within this time limitation, then we shall accept your own audit, and any premium refund due shall be mailed within 10 working days of receipt of your audit.

The cancellation will be effective even if we have not made or offered a refund.

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

**Nonrenewal**

1. If we decide not to renew this policy, we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the reason for nonrenewal, at least 45 days prior to the expiration of this policy.
2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - MANAGERS OR  
LESSORS OF PREMISES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Designated Part of Premises Leased:**

BUILDING

**Name Of Person(s) Or Organization(s) (Additional Insured):**

PRII Highland Oaks LLC, PGIM INC  
(SEE GENERAL ENDORSEMENT)  
10210 Highland Manor Drive STE 100  
  
TAMPA, FL 33610

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

**A. Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

- 1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
- 2. Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s) shown in the Schedule.

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.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- 1. Required by the contract or agreement; or
- 2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION AND  
DATA-RELATED LIABILITY - WITH  
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2.p. of **Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

p. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

B. The following is added to Paragraph 2. **Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EMPLOYMENT - RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2. Exclusions of **Section I - Coverage A - Bodily Injury And Property Damage Liability:**

#### 2., Exclusions

This insurance does not apply to:

##### Fungi or Bacteria

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

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

B. The following exclusion is added to Paragraph 2. Exclusions of **Section I - Coverage B - Personal And Advertising Injury Liability:**

#### 2. Exclusions

This insurance does not apply to:

##### Fungi or Bacteria

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

C. The following definition is added to the **Definitions** Section:

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

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PRODUCTS/COMPLETED OPERATIONS HAZARD REDEFINED**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

**Description of Premises and Operations:**

16901 Restaurants-No Sale of Alcoholic Bev w/o Tab

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

With respect to "bodily injury" or "property damage" arising out of "your products" manufactured, sold, handled or distributed:

1. On, from or in connection with the use of any premises described in the Schedule, or
2. In connection with the conduct of any operation described in the Schedule, when conducted by you or on your behalf,

Paragraph a. of the definition of "Products completed operations hazard" in the DEFINITIONS Section is replaced by the following:

"Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" that arises out of "your products" if the "bodily injury" or "property damage" occurs after you have relinquished possession of those products.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## AMENDMENT OF CANCELLATION PROVISIONS

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

Any term or provision of the Cancellation Conditions of the policy or any endorsement amending or replacing such Conditions is amended by the following:

- A. If we cancel this policy for any reason other than nonpayment of premium, we will notify the person or organization shown in the Schedule below. In no event will the notice to the person or organization scheduled below exceed the notice to the first named insured.
- B. Our obligation to send notice to the person or organization listed in the Schedule below will terminate at the earlier of the current policy period expiration or when you no longer have a legal or contractual obligation to such person or organization to maintain insurance coverage under a policy which requires that such person or organization be notified in the event of cancellation.

### SCHEDULE

1. **Name:**  
Sabal Venture, LLC, c/o Cushman  
& Wakefield US, Inc.
2. **Address:**  
10117 Princess Palm Avenue  
Suite 350  
TAMPA, FL 33610
3. **Number of days advance notice:**  
30

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**FLORIDA CHANGES - NON-CUMULATION OF LIABILITY LIMITS  
SAME OCCURRENCE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following is added to paragraph 5. of Section III - Limits of Insurance:

If an "occurrence" that results in "bodily injury" or "property damage" includes continuous and repeated exposure to substantially the same general conditions that extend over more than one annual policy "issued by us", the each occurrence limit of this policy shall be reduced by the amount of payments we have made or have agreed to make under all policies.

"For purposes of this endorsement, the term "us" also includes any other company that is or was part of the Liberty Mutual Agency Corporation division of Liberty Mutual Group."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL GENERAL LIABILITY EXTENSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### INDEX

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With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

#### A. NON-OWNED AIRCRAFT

Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, exclusion g. Aircraft, Auto Or Watercraft does not apply to an aircraft provided:

1. It is not owned by any insured;
2. It is hired, chartered or loaned with a trained paid crew;
3. The pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating her or him a commercial or airline pilot; and
4. It is not being used to carry persons or property for a charge.

However, the insurance afforded by this provision does not apply if there is available to the insured other valid and collectible insurance, whether primary, excess (other than insurance written to apply specifically in excess of this policy), contingent or on any other basis, that would also apply to the loss covered under this provision.

#### B. NON-OWNED WATERCRAFT

Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Subparagraph (2) of exclusion g. Aircraft, Auto Or Watercraft is replaced by the following:

This exclusion does not apply to:

- (2) A watercraft you do not own that is:
  - (a) Less than 52 feet long; and
  - (b) Not being used to carry persons or property for a charge.

#### C. PROPERTY DAMAGE LIABILITY - ELEVATORS

1. Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Subparagraphs (3), (4) and (6) of exclusion j. Damage To Property do not apply if such "property damage" results from the use of elevators. For the purpose of this provision, elevators do not include vehicle lifts. Vehicle lifts are lifts or hoists used in automobile service or repair operations.

2. The following is added to Section IV - Commercial General Liability Conditions, Condition 4. Other Insurance, Paragraph b. Excess Insurance:

The insurance afforded by this provision of this endorsement is excess over any property insurance, whether primary, excess, contingent or on any other basis.

#### D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)

If Damage To Premises Rented To You is not otherwise excluded from this Coverage Part:

1. Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability:

- a. The fourth from the last paragraph of exclusion j. Damage To Property is replaced by the following:

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire, lightning, explosion, smoke, or leakage from an automatic fire protection system) to:

- (i) Premises rented to you for a period of 7 or fewer consecutive days; or
- (ii) Contents that you rent or lease as part of a premises rental or lease agreement for a period of more than 7 days.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" to contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to this coverage as described in Section III - Limits of Insurance.



- b. The last paragraph of subsection **2. Exclusions** is replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to Damage To Premises Rented To You as described in **Section III - Limits Of Insurance.**

2. Paragraph **6.** under **Section III - Limits Of Insurance** is replaced by the following:

6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to:

- a. Any one premise:

(1) While rented to you; or

(2) While rented to you or temporarily occupied by you with permission of the owner for damage by fire, lightning, explosion, smoke or leakage from automatic protection systems; or

- b. Contents that you rent or lease as part of a premises rental or lease agreement.

3. As regards coverage provided by this provision **D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)** - Paragraph **9.a.** of **Definitions** is replaced with the following:

**9.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, lightning, explosion, smoke, or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with the permission of the owner, or for damage to contents of such premises that are included in your premises rental or lease agreement, is not an "insured contract".

#### **E. MEDICAL PAYMENTS EXTENSION**

If **Coverage C Medical Payments** is not otherwise excluded, the Medical Payments provided by this policy are amended as follows:

Under Paragraph **1. Insuring Agreement** of **Section I - Coverage C - Medical Payments**, Subparagraph **(b)** of Paragraph **a.** is replaced by the following:

- (b)** The expenses are incurred and reported within three years of the date of the accident; and

#### **F. EXTENSION OF SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**

1. Under **Supplementary Payments - Coverages A and B**, Paragraph **1.b.** is replaced by the following:

- b. Up to **\$3,000** for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

2. Paragraph **1.d.** 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 **\$500** a day because of time off from work.

#### **G. ADDITIONAL INSUREDS - BY CONTRACT, AGREEMENT OR PERMIT**

1. Paragraph **2.** under **Section II - Who Is An Insured** is amended to include as an insured any person or organization whom you have agreed to add as an additional insured in a written contract, written agreement or permit. Such person or organization is an additional insured but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by:

- a. Your acts or omissions, or the acts or omissions of those acting on your behalf, in the performance of your on going operations for the additional insured that are the subject of the written contract or written agreement provided that the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" is committed, subsequent to the signing of such written contract or written agreement; or

- b. Premises or facilities rented by you or used by you; or
- c. The maintenance, operation or use by you of equipment rented or leased to you by such person or organization; or
- d. Operations performed by you or on your behalf for which the state or political subdivision has issued a permit subject to the following additional provisions:
  - (1) This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of the operations performed for the state or political subdivision;
  - (2) This insurance does not apply to "bodily injury" or "property damage" included within the "completed operations hazard".
  - (3) Insurance applies to premises you own, rent, or control but only with respect to the following hazards:
    - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners, or decorations and similar exposures; or
    - (b) The construction, erection, or removal of elevators; or
    - (c) The ownership, maintenance, or use of any elevators covered by this insurance.

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.

With respect to Paragraph 1.a. above, a person's or organization's status as an additional insured under this endorsement ends when:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

With respect to Paragraph 1.b. above, a person's or organization's status as an additional insured under this endorsement ends when their written contract or written agreement with you for such premises or facilities ends.

With respects to Paragraph 1.c. above, this insurance does not apply to any "occurrence" which takes place after the equipment rental or lease agreement has expired or you have returned such equipment to the lessor.

The insurance provided by this endorsement applies only if the written contract or written agreement is signed prior to the "bodily injury" or "property damage".

We have no duty to defend an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured as required in Paragraph b. of Condition 2. **Duties In the Event Of Occurrence, Offense, Claim Or Suit** under **Section IV - Commercial General Liability Conditions**.

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2. With respect to the insurance provided by this endorsement, the following are added to Paragraph 2. **Exclusions under Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

- a. "Bodily injury" or "property damage" arising from the sole negligence of the additional insured.
- b. "Bodily injury" or "property damage" that occurs prior to you commencing operations at the location where such "bodily injury" or "property damage" occurs.
- c. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
  - (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (2) Supervisory, inspection, architectural or engineering activities.

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

- d. "Bodily injury" or "property damage" occurring after:
  - (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
  - (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
- e. Any person or organization specifically designated as an additional insured for ongoing operations by a separate **ADDITIONAL INSURED -OWNERS, LESSEES OR CONTRACTORS** endorsement issued by us and made a part of this policy.

3. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- 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.

**H. PRIMARY AND NON-CONTRIBUTORY ADDITIONAL INSURED EXTENSION**

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

Condition 4. **Other Insurance of SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended as follows:

- a. The following is added to Paragraph a. **Primary Insurance:**

If an additional insured's policy has an Other Insurance provision making its policy excess, and you have agreed in a written contract or written agreement to provide the additional insured coverage on a primary and noncontributory basis, this policy shall be primary and we will not seek contribution from the additional insured's policy for damages we cover.

**b. The following is added to Paragraph b. Excess Insurance:**

When a written contract or written agreement, other than a premises lease, facilities rental contract or agreement, an equipment rental or lease contract or agreement, or permit issued by a state or political subdivision between you and an additional insured does not require this insurance to be primary or primary and non-contributory, this insurance is excess over any other insurance for which the additional insured is designated as a Named Insured.

Regardless of the written agreement between you and an additional insured, this insurance is excess over any other insurance whether primary, excess, contingent or on any other basis for which the additional insured has been added as an additional insured on other policies.

**I. ADDITIONAL INSUREDS - EXTENDED PROTECTION OF YOUR "LIMITS OF INSURANCE"**

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

**1. The following is added to Condition 2. Duties In The Event Of Occurrence, Offense, Claim or Suit:**

An additional insured under this endorsement will as soon as practicable:

- a.** Give written notice of an "occurrence" or an offense that may result in a claim or "suit" under this insurance to us;
- b.** Tender the defense and indemnity of any claim or "suit" to all insurers whom also have insurance available to the additional insured; and
- c.** Agree to make available any other insurance which the additional insured has for a loss we cover under this Coverage Part.
- d.** We have no duty to defend or indemnify an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured.

**2. The limits of insurance applicable to the additional insured are those specified in a written contract or written agreement or the limits of insurance as stated in the Declarations of this policy and defined in Section III - Limits of Insurance of this policy, whichever are less. These limits are inclusive of and not in addition to the limits of insurance available under this policy.**

**J. WHO IS AN INSURED - INCIDENTAL MEDICAL ERRORS / MALPRACTICE  
WHO IS AN INSURED - FELLOW EMPLOYEE EXTENSION - MANAGEMENT EMPLOYEES**

Paragraph 2.a.(1) of Section II - Who Is An Insured is replaced with the following:

**(1) "Bodily injury" or "personal and advertising injury":**

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1) (a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1) (a)** or **(b)** above; or
- (d)** Arising out of his or her providing or failing to provide professional health care services. However, if you are not in the business of providing professional health care services or providing professional health care personnel to others, or if coverage for providing professional health care services is not otherwise excluded by separate endorsement, this provision (Paragraph **(d)**) does not apply.

Paragraphs **(a)** and **(b)** above do not apply to "bodily injury" or "personal and advertising injury" caused by an "employee" who is acting in a supervisory capacity for you. Supervisory capacity as used herein means the "employee's" job responsibilities assigned by you, includes the direct supervision of other "employees" of yours. However, none of these "employees" are insureds for "bodily injury" or "personal and

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advertising injury" arising out of their willful conduct, which is defined as the purposeful or willful intent to cause "bodily injury" or "personal and advertising injury", or caused in whole or in part by their intoxication by liquor or controlled substances.

The coverage provided by provision J. is excess over any other valid and collectable insurance available to your "employee".

**K. NEWLY FORMED OR ADDITIONALLY ACQUIRED ENTITIES**

Paragraph 3. of Section II - Who Is An Insured is replaced by the following:

3. Any organization you newly acquire or form 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 expiration of the policy period in which the entity was acquired or formed by you;
  - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
  - d. Records and descriptions of operations must be maintained by the first Named Insured.

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 or qualifies as an insured under this provision.

**L. FAILURE TO DISCLOSE HAZARDS AND PRIOR OCCURRENCES**

Under Section IV - Commercial General Liability Conditions, the following is added to Condition 6. Representations:

Your failure to disclose all hazards or prior "occurrences" existing as of the inception date of the policy shall not prejudice the coverage afforded by this policy provided such failure to disclose all hazards or prior "occurrences" is not intentional.

**M. KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM OR SUIT**

Under Section IV - Commercial General Liability Conditions, the following is added to Condition 2. Duties In The Event of Occurrence, Offense, Claim Or Suit:

Knowledge of an "occurrence", offense, claim or "suit" by an agent, servant or "employee" of any insured shall not in itself constitute knowledge of the insured unless an insured listed under Paragraph 1. of Section II - Who Is An Insured 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, servant or "employee".

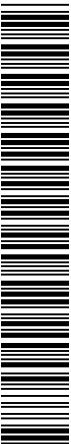
**N. LIBERALIZATION CLAUSE**

If we revise this Commercial General Liability Extension Endorsement to provide more coverage without additional premium charge, your policy will automatically provide the coverage as of the day the revision is effective in your state.

**O. BODILY INJURY REDEFINED**

Under Section V - Definitions, Definition 3. is replaced by the following:

3. "Bodily Injury" means physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease.



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**P. EXTENDED PROPERTY DAMAGE**

**Exclusion a. of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is replaced by the following:

**a. Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**Q. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - WHEN REQUIRED IN A CONTRACT OR AGREEMENT WITH YOU**

Under **Section IV - Commercial General Liability Conditions**, the following is added to Condition **8. Transfer Of Rights Of Recovery Against Others To Us**:

We waive any right of recovery we may have against a person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard" provided:

1. You and that person or organization have agreed in writing in a contract or agreement that you waive such rights against that person or organization; and
2. The injury or damage occurs subsequent to the execution of the written contract or written agreement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EACH LOCATION GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

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- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **Section I - Coverage A - Bodily Injury And Property Damage Liability**, and for all medical expenses caused by accidents under **Section I - Coverage C Medical Payments**, which can be attributed only to operations at a single "location" owned by or rented to you:
1. A separate Each Location General Aggregate Limit applies to each "location", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
  2. The Each Location General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage **C** regardless of the number of:
    - a. Insureds;
    - b. Claims made or "suits" brought; or
    - c. Persons or organizations making claims or bringing "suits".
  3. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Each Location General Aggregate Limit for that "location". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Each Location General Aggregate Limit for any other "location".
  4. The limits shown in the Declarations for Each Occurrence, Fire Damage and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Each Location General Aggregate Limit.
- B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **Section I - Coverage A - Bodily Injury And Property Damage Liability**, and for all medical expenses caused by accidents under **Section I - Coverage C Medical Payments**, which cannot be attributed only to operations at a single "location" owned by or rented to you:
1. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-Completed Operations Aggregate Limit, whichever is applicable; and
  2. Such payments shall not reduce any Each Location General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Each Location General Aggregate Limit.
- D.** For the purposes of this endorsement, the following definition is added to **Section V - Definitions**:  
"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
- E.** The provisions of **Section III - Limits Of Insurance** not otherwise modified by this endorsement shall continue to apply as stipulated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## PROPERTY DAMAGE - CUSTOMERS' GOODS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** Under **Section I - Coverages, Coverage A - Bodily Injury And Property Damage Liability, 2. Exclusions, j. Damage To Property**, items **(3), (4)** and **(6)** do not apply to "property damage" to "customers' goods" while on your premises.
- B.** Under **Section IV - Commercial General Liability Conditions, 4. Other Insurance, b. Excess Insurance**, the following is added:

The insurance afforded by this endorsement is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is property insurance.

- C.** Under **Section V - Definitions**, the following definition is added:

"Customers' goods" means property of your customer on your premises for the purpose of being worked on or used in your manufacturing process.

Nothing contained in this endorsement shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the policy, other than as stated above.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

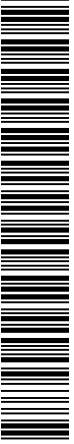
## VALET PARKING LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following replaces Part **(3)** under Exclusion **g. Aircraft, Auto or Watercraft:**

**(3)** Parking an "auto" provided the "auto" is not owned by or rented or loaned to you or any insured;



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## PROPERTY DAMAGE - BORROWED EQUIPMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Under **Section I - Coverages, Coverage A - Bodily Injury And Property Damage Liability, 2. Exclusions, j. Damage To Property**, item **(4)** does not apply to "property damage" to borrowed equipment while that equipment is not being used to perform operations at a job site.
- B. Under **Section IV - Commercial General Liability Conditions, 4. Other Insurance, b. Excess Insurance**, the following is added:

The insurance afforded by this endorsement is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is property insurance.

Nothing contained in this endorsement shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the policy, other than as stated above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

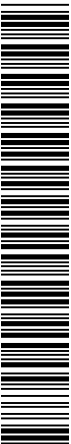
## MEDICAL EXPENSE AT YOUR REQUEST ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to **Section I - Coverage C - Medical Payments**:

If **Medical Payments** or **Medical Expenses** are not otherwise excluded from the policy, medical expenses will be paid only if an insured has requested that we pay such expenses.



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - ASBESTOS LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS AND COMPLETED OPERATIONS COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising, in whole or in part, either directly or indirectly out of the manufacture, storage, processing, mining, use, sale, installation, removal, disposal, distribution, handling, inhalation, ingestion, absorption, or existence of, exposure to or contact with asbestos, asbestos contained in goods, products or materials, asbestos fibers or asbestos dust; or
2. Any loss, cost or expense arising out of any:
  - a. Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of asbestos, asbestos contained in goods, products or materials, asbestos fibers or asbestos dust; 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 asbestos, asbestos contained in goods, products or materials, asbestos fibers or asbestos dust.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**Coverage**

- A. Hired Auto Liability**
- B. Non-Ownership Liability**

A. Insurance is provided only for those coverages when an "X" is shown in the Declarations or in the Schedule.

**1. Hired Auto Liability**

The insurance provided under **Section I - Coverage A - Bodily Injury And Property Damage 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.

**2. Non-Owned Auto Liability**

The insurance provided under **Section I - Coverage A - Bodily Injury And Property Damage Liability**, applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person.

B. For insurance provided by this endorsement only:

1. The exclusions, under Paragraph **2. Exclusion of Section 1 - Coverage A - Bodily Injury and Property Damage Liability**, other than exclusions **a., b., d., f., and i.** and the Nuclear Energy Liability Exclusion, are deleted and replaced by the following:

a. "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.

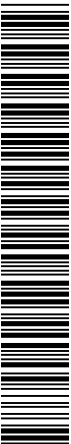
This exclusion applies:

- (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 the damages because of the injury.

This exclusion does not apply to:

- (1) Liability assumed by the insured under an "insured contract"; or
- (2) "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.

b. "Property damage" to:



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- (1) Property owned or being transported by, or rented or loaned to the insured; or
- (2) Property in the care, custody or control of the insured.

2. Section II, **Who Is An Insured**, is replaced by the following:

1. Each of the following is an insured under this endorsement to the extent set forth below:

- a. You;
- b. Any other person using a "hired auto" with your permission;
- c. For a "non-owned auto":
  - (1) any partner or "executive officer" of yours; or
  - (2) any "employee" of yours  
but only while such "non-owned auto" is being used in your business; and
- d. Any other person or organization, but only for their liability because of acts or omissions of an insured under **a.**, **b.** or **c.** above.

2. None of the following is an insured:

- a. 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.
- b. Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;
- c. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
- d. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee;
- e. Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

**C. Section III - Limits of Insurance**, Paragraph 2., The General Aggregate Limit, does not apply.

**D.** The following additional definitions apply:

1. "Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
2. "Hired Auto" means any "auto" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", your partners or you "executive Officers" or members of their households.
3. "Non-Owned Auto" means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes "autos" owned by your "employees", your partners or "executive officers", or members of their households, but only while used in your business or your personal affairs.

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

THIS INSURANCE PROVIDES CLAIMS MADE AND REPORTED COVERAGE. DEFENSE COSTS  
APPLY AGAINST THE LIMITS OF INSURANCE AND ARE SUBJECT TO THE DEDUCTIBLE.

PLEASE READ THE ENTIRE FORM CAREFULLY.

THERE IS A SEPARATE COINSURANCE PROVISION APPLICABLE TO ALL PAYMENTS FOR "DAMAGES".

PLEASE READ THIS POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE  
RESTRICTIONS.

Throughout this form the words "you" and "your" refer to the Named Insured shown in the Declarations,  
and any other person or organization qualifying as a Named Insured under this policy. The words "we",  
"us" and "our" refer to the Company providing this insurance. The word "insured" means any person or  
organization qualifying as such under SECTION II - WHO IS AN INSURED.

All words and phrases that appear in quotation marks have special meaning. Refer to SECTION VIII -  
DEFINITIONS.

**SECTION I - COVERAGE**

**A. INSURING AGREEMENT**

1. We will pay on behalf of the insured for "damages" in excess of the Deductible arising out of any  
"employment practices" to which this insurance applies. We have no obligation under this insur-  
ance to make payments or perform acts or services except as provided for in this paragraph and in  
Item **B.** below.
2. This insurance applies to such "damages" only if:
  - a. The "damages" result from "claims" made by "employees", "leased workers", "temporary  
workers", former "employees" or applicants for employment by you;
  - b. The "employment practices" take place in the "coverage territory";
  - c. Such "employment practices" occurred after the Retroactive Date, if any, shown in the Declara-  
tions and before the end of the "policy period"; and
  - d. A "claim" is both:
    - (1) First made against any insured, in accordance with Paragraph **3.** below, during the "policy  
period" or any Extended Reporting Period we provide under **SECTION VII - EXTENDED  
REPORTING PERIODS**; and
    - (2) Reported to us either:
      - (a) During the "policy period" or within thirty (30) days thereafter; or
      - (b) With respect to any "claim" first made during any Extended Reporting Period we  
provide under **SECTION VII -EXTENDED REPORTING PERIODS**, during such Extended  
Reporting Period.
3. A "claim" will be deemed to have been made at the earlier of the following times:
  - a. When notice of such "claim" is received and recorded by you or by us, whichever  
comes first; or

- b. When we make settlement in accordance with Paragraph **B.3.** below.
- 4. All "claims" for "damages" based on or arising out of:
  - a. One "employment practice", or
  - b. "Interrelated" "employment practices"

by one or more insureds shall be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured.

Each payment we make for "damages" or "defense expense" reduces the amount of insurance available, as provided under **SECTION III - LIMITS OF INSURANCE**. Each payment we make for "damages" under this insurance is further subject to your coinsurance participation, as specifically described in **SECTION V - COINSURANCE FOR PAYMENT OF "DAMAGES"**.

**B. DEFENSE OF CLAIMS, ADMINISTRATIVE HEARINGS AND SETTLEMENT AUTHORITY**

- 1. We have the right and duty to defend the insured against "claims" seeking "damages" to which this insurance applies and to pay for related "defense expense". However, we have no duty to:
  - a. Defend the insured against "claims" seeking "damages", or
  - b. Pay for related "defense expense",
 when this insurance does not apply.
- 2. Our right and duty to defend the insured against "claims" end when we have used up the amount of insurance available, as provided under **SECTION III - LIMITS OF INSURANCE**. This applies both to "claims" pending at that time and those filed thereafter.
- 3. We may:
  - (a) At our sole discretion, investigate any "employment practice" that may result in "damages"; and
  - (b) Settle any "claim" which may result, provided:
    - (1) We have your written consent to settle; and
    - (2) The settlement is within the applicable Limit of Insurance available.

Our liability will be limited as described below if:

- (i) You refuse to consent to any settlement we recommend, and
- (ii) Such recommended settlement is also acceptable to the claimant.

When this happens, our liability under this Coverage Part for such "claim" shall not exceed the amount we would have paid for "damages" and "defense expense" if you had consented at the time of our recommendation. You shall thereafter negotiate and defend that "claim" at your own cost and without our involvement.

- 4. a. When we control defense of a "claim", we will pay associated "defense expense" and choose a counsel of our choice from the panel of attorneys we have selected to deal with "employment practices" "claims". If you give us a specific written request at the time a "claim" is first made:
  - (1) You may select one of our panel of employment law attorneys; or



(2) You may ask us to consider the approval of a defense attorney of your choice who is not on our panel.

We will use the panel attorney you selected in (1) above, or consider your request in (2) above, when we deem it appropriate to engage counsel for such "claim".

- b. If by mutual agreement or court order the insured assumes control of such defense before the applicable Limit of Insurance is used up, we will reimburse the insured for reasonable "defense expense", subject to item c. immediately below. You and any involved insured must continue to comply with **SECTION VI - CONDITIONS, B. Duties In Event Of "Employment Practices" And "Claims"**. Additionally, you or such insured must direct defense counsel to:
- (1) Furnish us with additional information we request to evaluate the "employment practices" or "claims"; and
  - (2) Cooperate with any counsel we may select to monitor or associate in the defense of the "employment practices" or "claim".
- c. If we defend the insured under a reservation of rights, counsel will be required to maintain records pertinent to the insured's "defense expenses". These records will be used to determine the allocation of any "defense expenses" for which you or any insured may be solely responsible, including defense of an allegation not covered by this insurance.
- d. We will notify you in writing when the applicable limit of insurance has actually been used up by the payment of judgment, settlements or "defense expense". We will also initiate and cooperate in the transfer of defense of any "claim" to an appropriate insured for which the duty to defend has ended by reason of **SECTION B.2.** above.

In any case, however, we only pay amounts in excess of the Deductible and such payments will reduce the Limit of Insurance available, as provided under **SECTION III - LIMITS OF INSURANCE.**

### C. EXCLUSIONS

This insurance does not apply to "claims" arising directly or indirectly from any:

#### 1. Prior "Employment Practices", Facts Or Circumstances

- a. "Employment practices" which were the subject of any demand, suit or other proceeding which was initiated against any insured; or
- b. Facts, incidents and circumstances which would cause a reasonable person to believe a "claim" would be made and which were known to any insured,

prior to the effective date of the earlier of:

- (a) The first Employment Practices Liability Coverage Part that we issued to you of which this policy was an uninterrupted renewal of this type of coverage, or
- (b) This Employment Practices Liability Coverage Part.

#### 2. Contractual Liability

- a. Breach of any express contract of employment or any express obligation to make payments in the event of termination of employment; or

- b. Obligation to pay "damages" by reason of the assumption of liability in any contract or agreement. This exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.

**3. Statutory Obligations**

Of the following laws:

- a. Any workers compensation, disability benefits or unemployment compensation law, or any similar law, provided however, this exclusion shall not apply to any "claim" based upon, arising from, or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to any such law; or
- b. The Fair Labor Standards Act, or any state or common law wage or hour law, including, but not limited to laws governing minimum wages, hours worked, overtime compensation, and including any recordkeeping and reporting related thereto. This exclusion includes actions or claims brought by or on behalf of individuals or agencies seeking wages, fines, penalties, taxes, disgorgement, or other affirmative relief or compensation, but does not include claims based on the Equal Pay Act, or retaliation; or
- c. The National Labor Relations Act of 1938, the Worker Adjustment and Retraining Notification Act (Public Law 100- 37991988), the Consolidated Omnibus Budget Reconciliation Act of 1985, or the Occupational Safety and Health Act.

This exclusion also applies to any rules or regulations promulgated under any of the foregoing and amendments thereto or any similar provisions of any federal, state or local law, and to that part of any "damages" awarded for the cost or replacement of any insurance benefits due or alleged to be due to any current or former "employee".

**4. Employees' Retirement Income Security Act And Administration Of Employee Benefit Plans**

- a. Responsibilities, obligations or duties imposed under the Employees' Retirement Income Security Act of 1974, Public Law 93- 406, (E.R.I.S.A.) as now or hereafter amended, or any similar state or other governmental law. This includes fiduciary liability and any other liability under any such laws.
- b. Administration of employee benefits plans whether or not liability arises out of E.R.I.S.A.

**5. Publication Of Material With Knowledge Of Falsity Or Prior To Retroactive Date**

Oral or written publication of material, if such material:

- a. Was published by or at the direction of the insured with knowledge of the material's falsity; or
- b. Was first published before the Retroactive Date, if any, shown in the Declarations.

**6. Dishonest, Criminal Or Fraudulent Acts, Or Failure To Comply With Law**

- a. Dishonest, criminal or fraudulent acts of the insured; or
- b. The willful failure by the insured or with the insured's consent to comply with any law or any governmental or administrative order or regulation relating to "employment practices". Willful, as used in this exclusion, means acting with intentional or reckless disregard for such employment related laws, orders or regulations.

The enforcement of this exclusion against any insured under this policy shall not be imputed to any other insured.

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**7. Bodily Injury**

"Bodily injury".

**8. Bankruptcy Or Acquisition By Another Entity**

"Employment practices" which occur when or after:

- a. You file for or are placed in any bankruptcy, receivership, liquidation or reorganization proceeding; or
- b. Any other business entity acquires an ownership interest in you which is greater than fifty percent.

**9. Americans With Disabilities Act - Costs Of Accommodations**

Costs of complying with physical modifications to your premises or any changes to your usual business operations as mandated by the Americans with Disabilities Act of 1990 including any amendment thereto, or any similar federal, state or local law.

**10. Strikes, Lockouts And Other Similar Actions**

Lockout, strike, picket line, related worker replacement(s) or other similar actions resulting from labor disputes or labor negotiations.

**11. War**

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

**SECTION II - WHO IS AN INSURED**

**A. If you are designated in the Declarations as:**

- 1. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- 2. A partnership or joint venture, you are an insured. Your current or former members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- 3. A limited liability company, you are an insured. Your current or former members are also insureds, but only with respect to the conduct of your business. Your current or former managers are insureds, but only with respect to their duties as your managers.
- 4. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your current or former directors are insureds, but only with respect to their duties as your directors.

**B. Each of the following is also an insured:**

- 1. Your current or former "employees" but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.



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2. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
- C..** Any heirs, executors, administrators, assignees or legal representatives of any individual insured described in provisions 1. and 2. of Paragraphs **A.** and **B.** above, in the event of the death, bankruptcy or incapacity of such insured, shall be insureds, but only to the extent this insurance would have been available to such insured but for their death, bankruptcy or incapacity.
- D.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
1. You must provide us notice of such acquisition or formation within 30 days of the effective date of your acquisition or formation;
  2. 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;
  3. Coverage does not apply to any "employment practices" that occurred before you acquired or formed the organization; and
  4. You must pay us any additional premium due as a condition precedent to the enforceability of this additional extension of coverage.

This Part **D.** does not apply to any organization after it is shown in the Declarations or added to this policy by endorsement.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### **SECTION III - LIMITS OF INSURANCE**

- A.** The Limits of Insurance shown in the Declarations for this Coverage Part and the rules below fix the most we will pay regardless of the number of:
1. Insureds;
  2. "Claims" made; or
  3. Persons or organizations making "claims".
- B.** The amount of insurance stated as Aggregate Limit is the most we will pay for the sum of :
1. All "damages" for all "claims" arising out of any actual or alleged "employment practices" covered by this insurance; and
  2. All "defense expense" for all "claims" seeking "damages" payable under Paragraph **B.1.** above.
- Each payment we make for such "damages" or "defense expenses" reduces the Aggregate Limit by the amount of the payment. This reduced limit will then be the amount of insurance available for further "damages" and "defense expenses" under this Coverage Part.
- C.** Subject to **B.** above, the amount of insurance stated as the Each "Claim" Limit is the most we will pay in excess of the Deductible as further described in **SECTION IV - DEDUCTIBLE** for the sum of :
1. All "damages" for injury arising from "employment practices" covered by this insurance arising out of one "claim" whether such "claim" is brought by one or more claimants; and
  2. All "defense expense" associated with that specific "claim" in Item **C.1.** immediately preceding.

D. In addition to the payments for "damages" and "defense expense" in Paragraphs B. and C. above, we will also pay all interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of Paragraphs B. and C. above.

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

**SECTION IV - DEDUCTIBLE**

- A. A deductible applies to all "damages" for injury arising from "employment practices" and any "defense expense" however caused.
- B. Our obligation under this Employment Practices Liability Insurance to pay "damages" and "defense expense" on behalf of any insured applies only to the sum of the amount of "damages" and "defense expense" for each "claim" which are in excess of the deductible amount stated in Declaration s.
- C. Your obligation is to pay that deductible which is applicable to each "claim" made against this insurance. That deductible applies to the sum of all "damages" because of injury arising from "employment practices" paid for each "claim" and applicable "defense expense" associated therewith. If there should be no "damages" paid for a "claim", you are still obligated to pay the applicable deductible for any "defense expense" incurred by us in connection with that "claim".
- D. The terms of this insurance apply irrespective of the application of the deductible, including those with respect to:
  - 1. Our right and duty to defend any "claims" seeking those "damages"; and
  - 2. Your duties in the event of a "claim".
- E. We may pay any part or all of the deductible to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible as we may have paid for "damages" or "defense expense".
- F. The application of the deductible does not erode the Limits of Insurance provided.

**SECTION V - COINSURANCE FOR PAYMENT OF "DAMAGES"**

- A. With respect to any "claim" for which we pay "damages" under this insurance, you will be responsible for your share of such "damages", in excess of the applicable deductible, at the percentage shown in the Declarations as coinsurance participation. We will be responsible for the remaining percentage of "damages" payable under this Coverage Part subject to the applicable Limits of Insurance.
- B. Your coinsurance participation is limited as shown in the declarations to a maximum amount per "claim".
- C. Subject to the provisions of this section we may make payments for "damages" and then request you to pay us your percentage share. You agree to reimburse us for your share. By making such payments for "damages", we do not waive our right to recover your share of such payment(s).
- D. The application of this coinsurance provision does not erode the Limits of Insurance provided.

## SECTION VI - CONDITIONS

We have no duty to provide insurance under this Coverage Part unless you and any involved insured have fully complied with Conditions contained in this Coverage Part.

### A. Bankruptcy

Subject to exclusion 8., the bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

### B. Duties in Event of "Employment Practices" or "Claims"

1. You must see to it that we are notified as soon as practicable of any specific "employment practices" which you believe may result in an actual "claim". Your belief must be reasonably certain as the result of specific allegations made by a potential claimant or such potential claimant's representative, or as the result of specifically identifiable injury sustained by a potential claimant. To the extent possible, notice should include:

- a. How, when and where such "employment practices" took place;
- b. The names and addresses of any potential claimants and witnesses; and
- c. The nature of any injury arising out of such "employment practices".

Notice of such "employment practices" is not notice of a "claim", but preserves any insured's rights to future coverage for subsequent "claims" arising out of such "employment practices" as described in the Basic Extended Reporting Period of **SECTION VII - EXTENDED REPORTING PERIODS**.

2. If a "claim" is received by any insured:

- a. You must immediately record the specifics of the "claim" and the date received;
- b. You and any other involved insured must see to it that we receive written notice of the "claim", as soon as practicable, but in any event we must receive notice either:
  - (1) During the "policy period" or within thirty (30) days thereafter; or
  - (2) With respect to any "claim" first made during any Extended Reporting Period we provide under **SECTION VII - EXTENDED REPORTING PERIODS**, during such Extended Reporting Period,

as a condition precedent for coverage under this insurance. Such notice must provide us with the same information as is required in Item 1. immediately preceding; and

- a. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation, settlement or defense of the "claim"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

3. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

**C. Legal Action Against Us**

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

1. To join us as a party or otherwise bring us into a "claim" seeking "damages" from any insured; or
2. To sue us on this Coverage Part unless all of its terms have been fully complied with.

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

**D. Other Insurance**

If other valid and collectible insurance is available to the insured for "damages" or "defense expense" we cover under this Coverage Part, our obligations are limited as follows:

1. As this insurance is primary insurance, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in 2. below.
2. If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**E. Premium Audit**

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

**F. 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.

**G. Separation Of Insureds**

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

1. As if each Named Insured were the only Named Insured; and



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2. Separately to each insured against whom "claim" is made.

#### **H. Transfer Of Rights Of Recovery Against Others To Us**

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

#### **I. Payment of Deductibles and Coinsurance Amounts**

The first Named Insured shown in the Declarations is responsible for the payment of all deductible and coinsurance participation amounts.

#### **J. When We Do Not Renew**

If we decide not to renew this insurance, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

Any State amendatory endorsement changing Nonrenewal Conditions for any part of this policy to which this Coverage Part forms a part, shall also apply to this Coverage Part.

#### **K. Common Policy Conditions**

The following additional conditions apply with respect to this Coverage Part:

1. The Common Policy Conditions contained in form **IL 00 17**; and
2. Any applicable State amendments thereto.

### **SECTION VII - EXTENDED REPORTING PERIODS**

#### **A. We will provide Extended Reporting Periods, as described below, if:**

1. This insurance is cancelled or not renewed; or
2. We renew or replace this Coverage Part with insurance that:
  - a. Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
  - b. Does not apply on a claims-made basis.

#### **B. Extended Reporting Periods do not extend the "policy period" or change the scope of coverage provided. They apply only to "claims" as the result of "employment practices" which occurred after the Retroactive Date, if any, shown in the Declarations and before the end of the "policy period". Once in effect, Extended Reporting Periods may not be cancelled.**

#### **C. Extended Reporting Periods do not reinstate or increase the Limits of Insurance.**

#### **D. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the "policy period" and lasts for:**

1. Five years with respect to "claims" arising out of "employment practices" which had been properly reported to us during the "policy period" in accordance with provision 1. of Paragraph **B. Duties in Event of "Employment Practices" or "Claims"**, under **SECTION VI - CONDITIONS**; and
2. Sixty days with respect to "claims" arising from "employment practices" not previously reported to us.



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

E. A Supplemental Extended Reporting Period of twelve (12) months duration is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in Paragraph D.2. above, ends. You must give us a written request for the endorsement within 30 days after the end of the "policy period". The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium when due. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

1. The exposures insured;
2. Previous types and amounts of insurance;
3. Limits of Insurance available under this Coverage Part for future payment of "damages" or "defense expense"; and
4. Other related factors.

The additional premium will not exceed 200% of the annual premium for this Coverage Part.

F. The Supplemental Extended Reporting Period endorsement we issue shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period begins.

#### SECTION VIII - DEFINITIONS

A. "Bodily injury" means physical injury to the body, sickness or disease sustained by a person as the result of direct physical injury to the body, including death resulting from any of these at any time. "Bodily injury" does not include mental anguish that results from an "employment practice".

B. "Claim" means written or oral notice presented by:

1. Any "employee", "leased worker", "temporary worker", former "employee" or applicant for employment by you; or
2. The EEOC or any other Federal, state or local administrative or regulatory agency on behalf of such person in Item 1. immediately preceding,

alleging that the insured is responsible for "damages" as a result of injury arising out of any "employment practices".

"Claim" includes any civil proceeding in which either "damages" are alleged or fact finding will take place, when either is the actual or alleged result of any "employment practice" to which this insurance applies. This includes:

- (1) An arbitration proceeding in which such "damages" are claimed and to which the insured submits with our consent;
- (2) Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent; or
- (3) Any administrative proceedings established under applicable federal, state or local laws as may be applicable to "employment practices" covered under this insurance.

**C. "Coverage territory" means:**

1. The United States of America (including its territories and possessions) and Puerto Rico; or
2. Anywhere in the world with respect to the activities of a person whose place of employment is in the territory described in 1. above, while he or she is away for a short time on your business;

provided that the insured's responsibility to pay "damages" is determined in a suit (or in any other type of civil proceeding as described under the definition of "claim") on the merits in, and under the substantive law of, the United States of America (including its territories and possessions) or Puerto Rico.

**D. "Damages" means monetary amounts to which this insurance applies and which the insured is legally obligated to pay as judgments or awards, or as settlements to which we have agreed in writing.**

"Damages" include:

1. "Pre-judgment interest" awarded against the insured on that part of the judgment we pay,
2. To the extent allowed by law, any portion of a judgment or award that represents a multiple of the compensatory amounts or punitive or exemplary damages, and
3. "Legal fees" unless the "claim" is seeking solely equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money.

"Damages" do not include:

- (1) Civil, criminal, administrative or other fines or penalties;
- (2) Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money;
- (3) "Legal fees" when solely equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money is sought; or
- (4) Judgments or awards because of acts deemed uninsurable by law.

**E. "Defense expense" means payments allocated to a specific "claim" for its investigation, settlement, or defense, including:**

1. Attorney fees and all other litigation expenses.
2. The cost of bonds to appeal a judgment or award in any "claim" we defend. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the available limits of insurance. We do not have to furnish these bonds.
4. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of any "claim", including actual loss of earnings up to \$250 a day because of time off from work.
5. Costs taxed against the insured in the "claim".

"Defense expense" does not include:

- (1) Salaries and expenses of our employees or your "employees", other than:
  - (a) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim" for the defense of the insured; and
  - (b) The expenses described in 4. above; and

(2) Interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of **SECTION III - LIMITS OF INSURANCE.**

F. "Employee" means a person

1. Employed by you for wages or salary, or
2. Who is a current or former member of your board of directors.

But "employee" does not include any independent contractor, any employees of any independent contractor while acting within the scope of their employment, any "leased worker" or any "temporary worker".

G. "Employment practices" means any of the following actual or alleged practices which are directed against any of your "employees", "leased workers", "temporary workers", former "employees" or any applicant for employment by you, and for which remedy is sought under any federal, state or local statutory or common civil employment law:

1. Wrongful refusal to employ a qualified applicant for employment;
2. Wrongful failure to promote, or wrongful deprivation of career opportunity;
3. Wrongful demotion, negligent evaluation, negligent reassignment or wrongful discipline;
4. Wrongful termination of employment, including retaliatory or constructive discharge;
5. Employment related misrepresentation;
6. Harassment, coercion, discrimination or humiliation as a consequence of race, color, creed, national origin, marital status, medical condition, gender, age, physical appearance, physical and/or mental impairments, pregnancy, sexual orientation or sexual preference or any other protected class or characteristic established by any applicable federal, state, or local statute; or
7. Oral or written publication of material that slanders, defames or libels or violates or invades a right of privacy.

H. "Interrelated" means:

1. Having as a common nexus any fact, circumstance, situation, event, transaction or cause; or
2. A series of related facts, circumstances, situations, events, transactions or causes.

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

J. "Legal fees" means attorneys fees, or expenses that the insured is legally obligated to pay as a result of an adverse judgment. "Legal fees" does not include cost of compliance with any equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money.

K. "Policy period" means the period stated in the Declarations of the policy of which this Coverage Part forms a part including an extension after issuance of the policy for an additional period of less than 12 months. However:

1. If this Coverage Part is issued to be effective subsequent to the effective date of such policy, the "policy period" for the Coverage Part will start with the effective date of the Coverage Part; and

- 2. If this Coverage Part is cancelled prior to the expiration date of such policy, the "policy period" for this Coverage Part will end with the cancellation date of the Coverage Part.
- L. "Pre-judgment interest" means interest added to a settlement, verdict, award or judgment based on the amount of time prior to the settlement, verdict, award or judgment, whether or not made part of the settlement, verdict, award or judgment.
- M. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

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## COMMON POLICY CONDITIONS

1. **Assignment** -- This policy may not be assigned without "our" written consent.

2. **Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy, or one or more of its parts, by written notice sent to "you" at "your" last mailing address known to "us". If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

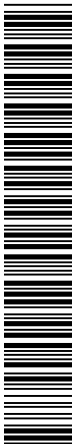
If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

3. **Change, Modification, or Waiver of Policy Terms** - - A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.

4. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations at any time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.

5. **Examination of Books and Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.



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## AMENDATORY ENDORSEMENT FLORIDA

1. Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

### Cancellation

- a. "You" may cancel this policy by:
- 1) returning the policy to "us"; or
  - 2) giving "us" written notice and stating at what date coverage is to stop.
- b. "We" may cancel this policy by delivering or mailing written notice to "you" at the address shown on the "declarations". "Our" notice will state the specific reason(s) for cancellation. Proof of delivery or mailing is sufficient proof of notice.
- c. If this policy has been in effect for 90 days or less, "we" may cancel for any reason.
- 1) However:
    - a) "We" may cancel this policy based on property insurance claims that are the result of an act of God only if "we" can show, by claims frequency or otherwise, that "you" have failed to take action reasonably necessary as requested by "us" to prevent further damage to "your" property.
    - b) "We" may cancel this policy based solely on a single property insurance claim that is the result of water damage only if "we" can demonstrate that "you" have failed to take action reasonably requested by "us" to prevent a future similar occurrence of damage to the insured property.
  - 2) If "we" cancel for nonpayment of premium, "we" will give "you" notice at least 10 days before the cancellation is to be effective.

- 3) Except as provided in 4) below, if "we" cancel for any reason other than nonpayment of premium, "we" will give "you" notice at least 20 days before the cancellation is to be effective.

However, "we" may cancel immediately if there has been:

- a) a material misstatement or misrepresentation; or
  - b) a failure to comply with the underwriting requirements that "we" have established.
- 4) If this policy is issued to cover a residential structure that has been damaged by a hurricane or windstorm that is the subject of:

- a) a declaration of emergency issued by the Governor; and
- b) an order filed by the Commissioner of Insurance Regulation;

"we" may not cancel this policy until at least 90 days after the residential structure has been repaired. Such property will be deemed repaired when the work is substantially completed such that the structure is insurable by another authorized insurer writing policies in Florida.

However, "we" may cancel this policy prior to the completion of repairs as follows:

- a) upon 10 days' notice for nonpayment of premium; or
- b) upon 45 days' notice if:
  - (1) there has been a material misstatement or fraud related to the claim;

- (2) "we" have determined that "you" have unreasonably caused a delay in the repair of the residential structure; or
- (3) "we" have paid the policy "limits" applicable to the covered structure.

d. If this policy has been in effect for more than 90 days, "we" may cancel based only on one or more of the following reasons:

- 1) a failure to pay premium when due;
- 2) a material misstatement;
- 3) a failure to comply, within 90 days after the date of effectuation of coverage, with underwriting requirements established by "us" before the date of effectuation of coverage;
- 4) a substantial change in the risk covered;
- 5) the cancellation is for all insureds for a given class of insureds;
- 6) property insurance claims that are the result of an act of God, but only if "we" can show, by claims frequency or otherwise, that "you" have failed to take action reasonably necessary as requested by "us" to prevent further damage to "your" property; or
- 7) one or more property insurance claims that are the result of water damage, but only if "we" can demonstrate that "you" have failed to take action reasonably requested by "us" to prevent a future similar occurrence of damage to the insured property.

Notwithstanding 1) through 7) above, "we" may not cancel based on any reason prohibited by law. If this policy is issued to cover a residential structure or its contents, this includes but is not limited to credit information available in public records.

e. If this policy has been in effect for more than 90 days and:

- 1) "we" cancel for nonpayment of premium, "we" will give "you" notice at least 10 days before the cancellation is to be effective;
- 2) except as provided in 3) and f. below, "we" cancel for one or more of the reasons provided in d.2) through d.7) above, "we" will give "you" notice at least 45 days before the cancellation is to be effective; or
- 3) this policy is issued to cover a residential structure or its contents, if "we" cancel for any reason other than nonpayment of premium, "we" will give "you" notice at least 120 days before the cancellation is to be effective.

f. If this policy has been in effect for more than 90 days and is issued to cover a residential structure that has been damaged by a hurricane or windstorm that is the subject of:

- 1) a declaration of emergency issued by the Governor; and
- 2) an order filed by the Commissioner of Insurance Regulation;

"we" may not cancel this policy until at least 90 days after the residential structure has been repaired. Such property will be deemed repaired when the work is substantially completed such that the structure is insurable by another authorized insurer writing policies in Florida.

However, "we" may cancel this policy prior to the completion of repairs as follows:

- 1) upon 10 days' notice for nonpayment of premium; or
- 2) upon 45 days' notice if:
  - a) there has been a material misstatement or fraud related to the claim;
  - b) "we" have determined that "you" have unreasonably caused a delay in the repair of the residential structure; or

- c) "we" have paid the policy "limits" applicable to the covered structure.
- g. If this policy is:
- 1) issued to cover a residential structure or its contents; and
  - 2) "we" cancel for nonpayment of premium which results from failure of the mortgagee to pay the premium when due;

"we" will reinstate the policy retroactive to the date of cancellation if the premium is received not more than 90 days after the due date. By Florida law, the mortgagee is required to reimburse "you" for any penalty or fee imposed by "us" and paid by "you" for reinstating the policy.

- h. Notwithstanding c. through g. above, if this policy is issued to cover a residential structure or its contents, "we" may cancel by giving "you" notice at least 45 days before cancellation is effective if the Florida Office of Insurance Regulation finds that the cancellation of some or all of "our" policies covering residential structures or their contents is necessary to protect the best interests of the public or policyholders due to:
- 1) "our" financial condition;
  - 2) the lack of adequate reinsurance coverage for hurricane risk; or
  - 3) other relevant factors;

and the Florida Office of Insurance Regulation approves "our" plan for early cancellation of some or all of "our" policies.

- i. If "you" or "we" cancel this policy, "your" return premium, if any, will be refunded within 15 business days after the effective date of cancellation unless the final policy premium is determined by audit. If the final policy premium is determined by audit, an audit will be performed and premium refunded within 90 days from the date of cancellation. If an audit cannot be completed within that

time, "we" will accept audit information that "you" provide and refund any return premium within 10 business days after "we" receive the necessary audit information from "you". If "we" are unable to obtain audit information due to "your" lack of cooperation, the deposit premium will be considered fully earned. In all cases, if the return premium is \$5.00 or less, "we" will not provide a refund unless "you" expressly request it. Payment or tender of unearned premium is not a condition of cancellation.

2. Under Common Policy Conditions, the following condition is added:

**Nonrenewal**

- a. If "we" do not renew this policy, "we" will give "you" notice at the address shown on the "declarations". "Our" notice will state the specific reason(s) for nonrenewal. Proof of delivery or mailing is sufficient proof of notice.
- b. "We" may nonrenew this policy for any reason.

However:

- 1) "We" may nonrenew this policy based on property insurance claims that are the result of an act of God only if "we" can show, by claims frequency or otherwise, that "you" have failed to take action reasonably necessary as requested by "us" to prevent further damage to "your" property.
- 2) "We" may nonrenew this policy based solely on a single property insurance claim that is the result of water damage only if "we" can demonstrate that "you" have failed to take action reasonably requested by "us" to prevent a future similar occurrence of damage to the insured property.



3) "We" may nonrenew this policy based on the filing of claims for sinkhole loss only if:

a) the total of such claim payments equals or exceeds the policy "limits" of coverage for the policy in effect on the date of loss, for property damage to the covered building(s), as set forth on the "declarations"; or

b) "you" have failed to repair the structure in accordance with the engineering recommendations made pursuant to Florida law upon which any payment or policy proceeds were based.

4) "We" may not nonrenew for any reason prohibited by law. If this policy is issued to cover a residential structure or its contents, this includes but is not limited to credit information available in public records.

c. Except as provided in d. and e. below, if "we" do not renew this policy, "we" will give "you" notice at least 45 days before the nonrenewal is to be effective.

d. Except as provided in e. below, if this policy is issued to cover a residential structure or its contents, "we" will give "you" notice at least 120 days before the nonrenewal is to be effective.

However, if the Florida Office of Insurance Regulation finds that the nonrenewal of some or all of "our" policies covering residential structures or their contents is necessary to protect the best interests of the public or policyholders due to:

- 1) "our" financial condition;
- 2) the lack of adequate reinsurance coverage for hurricane risk; or
- 3) other relevant factors;

and the Florida Office of Insurance Regulation approves "our" plan for early nonrenewal of some or all of "our" policies, "we" will give "you" notice at least 45 days before the nonrenewal is to be effective.

e. If this policy is issued to cover a residential structure that has been damaged by a hurricane or windstorm that is the subject of:

- 1) a declaration of emergency issued by the Governor; and
- 2) an order filed by the Commissioner of Insurance Regulation;

"we" will give "you" notice at least 90 days before the nonrenewal is to be effective. The effective date of such nonrenewal will not be less than 90 days after the residential structure has been repaired. A damaged residential structure will be deemed repaired when the work is substantially completed such that the structure is insurable by another authorized insurer writing policies in Florida.

However, "we" may nonrenew this policy prior to the completion of repairs as follows:

- 1) upon 10 days' notice for nonpayment of premium; or
- 2) upon 45 days' notice if:
  - a) there has been a material misstatement or fraud related to the claim;
  - b) "we" have determined that "you" have unreasonably caused a delay in the repair of the residential structure; or
  - c) "we" have paid the policy "limits" applicable to the covered structure.

3. Under Common Policy Conditions, the following condition is added:

**Renewal** -- If "we" decide to renew this policy, "we" will give "you" written notice of the renewal premium at least 45 days prior to the renewal date.



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4. Under Common Policy Conditions, Inspections is deleted and replaced by the following:

**Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report is not an agreement that "your" property or operations are:

- a. safe;
- b. healthful; or
- c. in compliance with laws, rules, or regulations.

Inspections or reports are for "our" benefit only.

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## CERTIFIED TERRORISM LOSS

1. The following definitions are added.
  - a. "Certified act of terrorism" means an 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:
    - 1) to be an act of terrorism;
    - 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
    - 3) to have resulted in damage:
      - a) within the United States; or
      - b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
    - 4) 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; and
    - 5) to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.
  - b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".
2. The "terms" of any terrorism exclusion that is part of or that is attached to this Coverage Part are amended by the following provision:

This exclusion does not apply to "certified terrorism loss".
3. The following provision is added.

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a calendar year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a calendar year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.
4. The following provisions are added.
  - a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
    - 1) exclusions that address war, military action, or nuclear hazard; or
    - 2) any other exclusion; and
  - b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
    - 1) exclusions that address war, military action, or nuclear hazard; or
    - 2) any other exclusion.

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## VIRUS OR BACTERIA EXCLUSION

### DEFINITIONS

#### Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

### PERILS EXCLUDED

The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

1. The following exclusion is added under Perils Excluded, item 1.:

#### Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
- b. any denial of access to property because of any virus, bacterium, or other microorganism.

2. **Superseded Exclusions** -- The Virus or Bacteria exclusion set forth by this endorsement supersedes the "terms" of any other exclusions referring to "pollutants" or to contamination with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

### OTHER CONDITIONS

#### Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF THEFT DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

CONTRACTORS' EQUIPMENT COVERAGE  
CONTRACTORS' EQUIPMENT COVERAGE - Blanket Equipment Form

The following is added to your policy:

Waiver of Deductible:

In the event of a theft loss to covered "contractors' equipment", we agree to waive up to \$10,000 of the applicable deductible if:

1. the stolen "contractors' equipment" is "Properly Registered" on the National Equipment Register (NER) database; and
2. NER warning decals are on the stolen "contractors' equipment"; at the time of theft. (equipment can be registered with NER by calling 866-663-7872 or at [www.NER.net](http://www.NER.net)); and
3. Following the theft loss, "you" must:
  - 1) Report the theft to the local law enforcement agency having jurisdiction as soon as "you" become aware of the theft; and
  - 2) Report the claim to "us" in accordance with the terms and conditions of this policy

"Properly Registered" means providing National Equipment Register (NER) with the specific manufacturer, model number, serial number, and year manufactured either through your on-line entry of this information in the NER website or sending this information on an electronic spreadsheet directly to NER prior to the theft.

## BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

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

### A. Coverage

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

#### 1. Covered Property

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

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

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

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

**b. Your Business Personal Property** 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 unless otherwise specified in the Declarations or on the Your Business Personal Property - Separation Of Coverage form:

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

- c. **Personal Property Of Others** that is:
  - (1) In your care, custody or control; and
  - (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

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

**2. Property Not Covered**

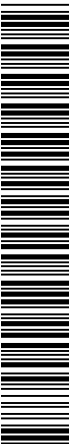
Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;

- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to your "stock" of prepackaged software;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or



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- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;
- q. The following property while outside of buildings:
  - (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

**3. Covered Causes Of Loss**

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

**4. Additional Coverages**

**a. Debris Removal**

- (1) Subject to Paragraphs (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), the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

- (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 (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**

The following examples assume that there is no Coinsurance penalty.

**Example #1**

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

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

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

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

**b. Preservation Of Property**

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

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

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000, unless a higher 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.
- No Deductible applies to this Additional Coverage.

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

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

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

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

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with 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 e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.



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- (4)** Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a)** You were required to comply with before the loss, even when the building was undamaged; and
  - (b)** You failed to comply with.
- (5)** Under this Additional Coverage, we will not pay for:
  - (a)** The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
  - (b)** Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6)** The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7)** With respect to this Additional Coverage:
  - (a)** We will not pay for the Increased Cost of Construction:
    - (i)** Until the property is actually repaired or replaced, at the same or another premises; and
    - (ii)** Unless the 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, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
  - (c)** If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8)** This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9)** The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

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**f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
  - (a) If the Causes of Loss - Special Form applies, coverage under this Additional Coverage, Electronic Data is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that Form.
  - (b) If the Causes of Loss - Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
  - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
  - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer

system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

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

**5. Coverage Extensions**

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

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

**a. Newly Acquired Or Constructed Property**

**(1) Buildings**

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

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



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- (ii) Use as a warehouse.

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

**(2) Your Business Personal Property**

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (iii) Business personal property that you newly acquire, located at the described premises.

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

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

**(3) Period of Coverage**

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

- (a) This policy expires;

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

- (c) You report values to us.

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

**b. Personal Effects And Property Of Others**

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

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

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

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

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to your cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes of Loss - Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

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- (3) If the Causes of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**d. Property Off-premises**

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

**e. Outdoor Property**

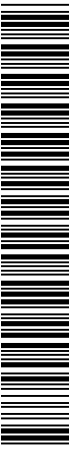
You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following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

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

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

**f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
- (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.



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- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

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

**B. Exclusions And Limitations**

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

**C. Limits Of Insurance**

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

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

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

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

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

**D. Deductible**

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

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

**EXAMPLE #1**

(This example assumes there is no Coinsurance penalty.)

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

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

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

\$60,100	
<u>- 250</u>	
\$59,850	Loss Payable - Building #1

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

Total amount of loss payable:  
\$59,850 + \$80,000 = \$139,850

**EXAMPLE #2**

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

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

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

**E. Loss Conditions**

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

**1. Abandonment**

There can be no abandonment of any property to us.

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**2. Appraisal**

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

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

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

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

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

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

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

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

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

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

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

**4. Loss Payment**

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.



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- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we

may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

**5. Recovered Property**

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

**6. Vacancy**

**a. Description Of Terms**

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

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

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

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

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

**b. Vacancy Provisions**

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

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

**7. Valuation**

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

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

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

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

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.

- e. Tenants' Improvements and Betterments at:
  - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

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

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

**F. Additional Conditions**

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

**1. Coinsurance**

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

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

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

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



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

**EXAMPLE #1 (UNDERINSURANCE)**

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

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

Step (2): \$100,000 ÷ \$200,000 = .50

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

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

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

**EXAMPLE #2 (ADEQUATE INSURANCE)**

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

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

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

**EXAMPLE #3**

When: The value of property is:  
 Building at Location #1: \$ 75,000  
 Building at Location #2: \$ 100,000  
 Personal Property at Location #2: \$ 75,000  
 \$ 250,000

The Coinsurance percentage for it is: 90%  
 The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is: \$ 180,000  
 The Deductible is: \$ 1,000  
 The amount of loss is:  
 Building at Location #2: \$ 30,000  
 Personal Property at Location #2: \$ 20,000  
 \$ 50,000

Step (1): \$250,000 x 90% = \$225,000  
 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): \$180,000 ÷ \$225,000 = .80

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

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

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

**2. Mortgageholders**

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

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

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

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

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

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

## G. Optional Coverages

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

### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:

- (1) On or after the effective date of this Optional Coverage; and
- (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

### 2. Inflation Guard

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

### EXAMPLE:

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

### 3. Replacement Cost

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



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

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

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

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

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject of f. below:
- (1) The Limit of Insurance applicable to the lost or damaged property;
- (2) The cost to replace the lost or damaged property with other property:
- (a) Of comparable material and quality; and
- (b) Used for the same purpose; or

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

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

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

#### 4. Extension Of Replacement Cost To Personal Property Of Others

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

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

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

#### H. DEFINITIONS

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

## BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

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

### A. Coverage

#### 1. Business Income

Business Income means the:

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

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

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

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

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

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

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

cle, 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. Extra Expense

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

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

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

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

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

### 3. Covered Causes of Loss, Exclusions And Limitations

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

### 4. Additional Limitation - Interruption of Computer Operations

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

## 5. Additional Coverages

### a. Civil Authority

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

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

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

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

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

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

**b. Alterations And New Buildings**

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

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

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

**c. Extended Business Income**

**(1) Business Income Other Than "Rental Value"**

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

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

- (ii) 30 consecutive days after the date determined in **(1)(a)** above.

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

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

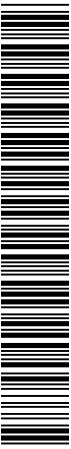
**(2) "Rental Value"**

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

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in **(2)(a)** above.

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

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



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**d. Interruption of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation - Interruption of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
  - (a) If the Causes of Loss - Special Form applies, coverage under this Additional Coverage - Interruption of Computer Operations is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
  - (b) If the Causes of Loss - Broad Form applies, coverage under this Additional Coverage - Interruption of Computer Operations includes Collapse as set forth in that Form.
  - (c) If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage - Interruption of Computer Operations.

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

- (4) The most we will pay under this Additional Coverage - Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage - Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

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**6. Coverage Extension**

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

**NEWLY ACQUIRED LOCATIONS**

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

- (1) This policy expires;
- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

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

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

**B. Limits Of Insurance**

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

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

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

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

**C. Loss Conditions**

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

**1. Appraisal**

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

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

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

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

**2. Duties In The Event Of Loss**

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

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



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

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

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

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

### 3. Loss Determination

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

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

- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

- (4) Other relevant sources of information, including:

- (a) Your financial records and accounting procedures;
- (b) Bills, invoices and other vouchers; and
- (c) Deeds, liens or contracts.

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

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

- (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and

- (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

### c. Resumption Of Operations

We will reduce the amount of your:

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

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

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

#### 4. Loss Payment

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

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

#### D. Additional Condition

##### COINSURANCE

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

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

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

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

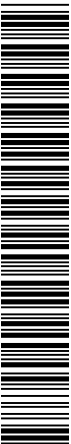
Instead, we will determine the most we will pay using the following steps:

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

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

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

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



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**EXAMPLE #1 (UNDERINSURANCE)**

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

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

Step (2): \$150,000 ÷ \$200,000 = .75

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

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

**EXAMPLE #2 (ADEQUATE INSURANCE)**

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

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

This Condition does not apply to Extra Expense Coverage.

**E. Optional Coverages**

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

**1. Maximum Period Of Indemnity**

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

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

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

**2. Monthly Limit Of Indemnity**

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

**EXAMPLE**

When: The Limit of Insurance is: \$ 120,000  
The fraction shown in the Declarations for this Optional Coverage is: 1/4

The most we will pay for loss in each period of 30 consecutive days is: \$ 30,000  
(\$120,000 x 1/4 = \$ 30,000)

If, in this example, the actual amount of loss is:

Days 1-30	\$ 40,000
Days 31-60	20,000
Days 61-90	30,000
	<hr/>
	\$ 90,000

We will pay:

Days 1-30	\$ 30,000
Days 31-60	20,000
Days 61-90	30,000
	<hr/>
	\$ 80,000

The remaining \$10,000 is not covered.

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### 3. Business Income Agreed Value

- a. To activate this Optional Coverage:
- (1) A Business Income Report/ Work Sheet must be submitted to us and must show financial data for your "operations":
    - (a) During the 12 months prior to the date of the Work Sheet; and
    - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
  - (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
    - (a) The Coinsurance percentage shown in the Declarations; multiplied by
    - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
- (1) 12 months after the effective date of this Optional Coverage; or
  - (2) The expiration date of this policy;
- whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
- (1) Within 12 months of the effective date of this Optional Coverage; or
  - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
- (1) The Business Income Limit of Insurance; divided by
  - (2) The Agreed Value.

### EXAMPLE

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

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

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

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

### 4. Extended Period Of Indemnity

Under paragraph A.5.c., **Extended Business Income**, the number 30 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

### F. Definitions

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

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

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

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



- (2) The date when business is resumed at a new permanent location.

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

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

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

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

- 5. "Rental Value" means Business Income that consist of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
- b. Continuing normal operating expenses incurred in connection with that premises, including:
  - (1) Payroll; and
  - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

- 6. "Suspension" means:

- a. The slowdown or cessation of your business activities; or
- b. That a part or all of the described premises is rendered untenable, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

**COMMERCIAL PROPERTY CONDITIONS**

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

**A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

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

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

**B. CONTROL OF PROPERTY**

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

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

**C. INSURANCE UNDER TWO OR MORE COVERAGES**

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

**D. LEGAL ACTION AGAINST US**

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

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

**E. LIBERALIZATION**

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

**F. NO BENEFIT TO BAILEE**

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

**G. OTHER INSURANCE**

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

**H. POLICY PERIOD, COVERAGE TERRITORY**

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.



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2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to se-

cure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

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

This will not restrict your insurance.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

#### COMMERCIAL PROPERTY COVERAGE PART

**A.** When this endorsement is attached to Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.

**B.** The following provision applies when a Coinsurance percentage is shown in the Declarations:

Florida law states as follows:

Coinsurance contract: The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy, with the consent of the Insured.

**C.** The following is added:

If windstorm is a Covered Cause of Loss and loss or damage to Covered Property is caused by or results from windstorm, the following exclusion applies in:

1. Broward County;
2. Dade County;
3. Martin County;
4. Monroe County;
5. Palm Beach County; and
6. All the areas east of the west bank of the Intracoastal Waterway in the counties of:
  - a. Indian River; and
  - b. St. Lucie.

#### Windstorm Exterior Paint And Waterproofing Exclusion

We will not pay for loss or damage caused by windstorm to:

1. Paint; or
2. Waterproofing material;

applied to the exterior of buildings unless the building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:

- a. The amount of the Windstorm or Hail Deductible; or
- b. The value of Covered Property when applying the Coinsurance Condition.

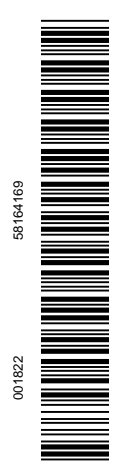
**D.** The **Loss Payment Condition** dealing with the number of days within which we must pay for covered loss or damage is replaced by the following:

Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage upon the earliest of the following:

- (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;
- (2) Within 30 days after we receive the sworn proof of loss and:
  - (a) There is an entry of a final judgment; or
  - (b) There is a filing of an appraisal award with us; or
- (3) Within 90 days of receiving notice of an initial, reopened or supplemental claim, unless we deny the claim during that time or factors beyond our control reasonably prevent such payment. If a portion of the claim is denied, then the 90-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph (3) applies only to the following:

- (a) A claim under a policy covering residential property;



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- (b) A claim for building or contents coverage if the insured structure is 10,000 square feet or less and the policy covers only locations in Florida; or
- (c) A claim for contents coverage under a tenant's policy if the rented premises are 10,000 square feet or less and the policy covers only locations in Florida.

**E. Sinkhole Collapse Coverage Removed**

Sinkhole Collapse coverage is removed, as indicated in Paragraphs **E.1.** through **E.4.**; and coverage for Catastrophic Ground Cover Collapse is added instead as set forth in Paragraph **F.**

1. In the Causes Of Loss - Basic Form and in the Standard Property Policy, Sinkhole Collapse is deleted from the Covered Causes of Loss and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
2. In the Causes Of Loss - Broad Form, Sinkhole Collapse is deleted from the Covered Causes of Loss and from the Additional Coverage - Collapse; and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
3. In the Causes Of Loss - Special Form, Sinkhole Collapse is deleted from the "specified causes of loss" and is no longer an exception to the Earth Movement Exclusion.
4. In the Mortgageholders Errors And Omissions Coverage Form, Sinkhole Collapse is deleted from the Covered Causes of Loss under Coverage **B** and from the "specified causes of loss", and is no longer an exception to the Earth Movement Exclusion.

Further, this Coverage Part does not insure against Sinkhole Loss as defined in Florida law unless an endorsement for Sinkhole Loss is made part of this policy. However, if Sinkhole Loss causes Catastrophic Ground Cover Collapse, coverage is provided for the resulting Catastrophic Ground Cover Collapse even if an endorsement for Sinkhole Loss is not made part of this policy.

- F.** The following is added to this Coverage Part as a Covered Cause of Loss. In the Causes Of Loss - Special Form and Mortgageholders Errors And Omissions Coverage Form, the following is also added as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage - Collapse.

**Catastrophic Ground Cover Collapse**

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:

1. The abrupt collapse of the ground cover;
2. A depression in the ground cover clearly visible to the naked eye;
3. "Structural damage" to the building, including the foundation; and
4. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

The **Earth Movement** Exclusion and the **Collapse** Exclusion do not apply to coverage for Catastrophic Ground Cover Collapse.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to catastrophic ground cover collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Coverage Part), only one Limit of Insurance will apply to such loss or damage.

- G.** The following applies to the **Additional Coverage - Civil Authority** under the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form and Extra Expense Coverage Form:

1. The Additional Coverage - Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. With respect to described premises located in Florida, such one-mile radius does not apply.

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2. The Additional Coverage - Civil Authority is limited to a coverage period of up to four weeks. With respect to described premises located in Florida, such four-week period is replaced by a three-week period.
3. Civil Authority coverage is subject to all other provisions of that Additional Coverage.

**H. The following provisions are added to the Duties In The Event Of Loss Or Damage Loss Condition:**

- (1) A claim, supplemental claim or reopened claim for loss or damage caused by hurricane or other windstorm is barred unless notice of claim is given to us in accordance with the terms of this policy within three years after the hurricane first made landfall or a windstorm other than hurricane caused the covered damage. (Supplemental claim or reopened claim means an additional claim for recovery from us for losses from the same hurricane or other windstorm which we have previously adjusted pursuant to the initial claim.)

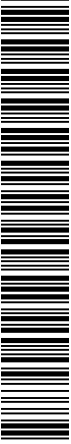
This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this policy under the Legal Action Against Us Condition, including any amendment to that condition.

- (2) Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

- I. The following definition of structural damage is added with respect to the coverage provided under this endorsement:

"Structural damage" means a covered building, regardless of the date of its construction, has experienced the following.

1. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;
2. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the primary structural members or primary structural systems that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those primary structural members or primary structural systems exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
3. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical primary structural members to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
4. Damage that results in the building, or any portion of the building containing primary structural members or primary structural systems, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
5. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  2. Additional Coverage - Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

This endorsement modifies insurance provided under the following:

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

## SCHEDULE

Premises Number	Building Number	Windstorm Or Hail Deductible Percentage - Enter 1%, 2% Or 5%
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Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The Windstorm or Hail Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. This Deductible applies to each occurrence of Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

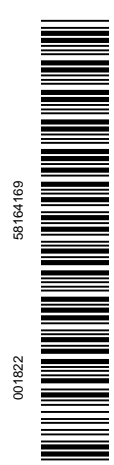
## WINDSTORM OR HAIL DEDUCTIBLE CALCULATIONS

### A. Calculation Of The Deductible - All Policies

1. A Deductible is calculated separately for, and applies separately to:
  - a. Each building that sustains loss or damage;
  - b. The personal property at each building at which there is loss or damage to personal property;
  - c. Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; any provision in a Value Reporting Form relating to full reporting or failure to submit reports.



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3. When property is covered under the Coverage Extension for Newly Acquired Or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired Or Constructed Property is the highest percentage shown in the Schedule for any described premises.

**B. Calculation Of The Deductible - Specific Insurance Other than Builders' Risk**

**1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

**2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the latest value(s) shown in the most recent Report of Values on file with us.

However:

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

**C. Calculation Of The Deductible - Blanket Insurance Other Than Builders' Risk**

**1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with us.

**2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

**D. Calculation Of The Deductible - Builders' Risk Insurance**

**1. Builders' Risk Other Than Reporting Form**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.

**2. Builders' Risk Reporting Form**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

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

**EXAMPLES - APPLICATION OF DEDUCTIBLE**

**EXAMPLE #1 - SPECIFIC INSURANCE (B.1.)**

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the Coinsurance requirement is \$80,000 (80% of \$100,000).

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The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%.

Step (1):  $\$70,000 \div \$80,000 = .875$

Step (2):  $\$60,000 \times .875 = \$52,500$

Step (3):  $\$70,000 \times 1\% = \$700$

Step (4):  $\$52,500 - \$700 = \$51,800$

The most we will pay is \$51,800. The remainder of the loss, \$8,200, is not covered due to the Coinsurance penalty for inadequate insurance (Steps (1) and (2)) and the application of the Deductible (Steps (3) and (4)).

#### EXAMPLE #2 - SPECIFIC INSURANCE (B.1.)

The amounts of loss to the damaged property are \$60,000 (Building) and \$40,000 (Personal Property in building).

The value of the damaged building at time of loss is \$100,000. The value of the personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the Coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property (therefore, no Coinsurance penalty).

The Deductible is 2%.

#### BUILDING

Step (1):  $\$80,000 \times 2\% = \$1,600$

Step (2):  $\$60,000 - \$1,600 = \$58,400$

#### PERSONAL PROPERTY

Step (1):  $\$64,000 \times 2\% = \$1,280$

Step (2):  $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. The portion of the total loss not covered due to application of the Deductible is \$2,880.

#### EXAMPLE #3 - BLANKET INSURANCE (C.1.)

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit of Insurance covering Buildings #1, #2, and #3, shown in the Declarations, is \$1,800,000 (therefore, no Coinsurance penalty).

Buildings #1 and #2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building #1) and \$20,000 (Building #2).

The Deductible is 2%.

#### BUILDING #1

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$40,000 - \$10,000 = \$30,000$

#### BUILDING #2

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. The portion of the total loss not covered due to application of the Deductible is \$20,000.

#### EXAMPLE #4 - BLANKET INSURANCE (C.1.)

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000), Personal Property at Building #1 (\$250,000) and Personal Property at Building #2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The **actual** Blanket Limit of Insurance covering Buildings #1 and #2 and Personal Property at Buildings #1 and #2, shown in the Declarations, is \$1,350,000. Therefore, there is no Coinsurance penalty.

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

The Deductible is 5%.

#### BUILDING

Step (1):  $\$500,000 \times 5\% = \$25,000$

Step (2):  $\$95,000 - \$25,000 = \$70,000$

#### PERSONAL PROPERTY

Step (1):  $\$250,000 \times 5\% = \$12,500$

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

The most we will pay is \$70,000. The remainder of the building loss, \$25,000, is not covered due to application of the Deductible. There is no loss payment for the personal property.

## CAUSES OF LOSS - SPECIAL FORM

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

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section **B.**, Exclusions; or
2. Limited in Section **C.**, Limitations;

that follow.

### B. Exclusions

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

#### a. Ordinance Or Law

The enforcement of any ordinance or law:

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

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

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

#### b. Earth Movement

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

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

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

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

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

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

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

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

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

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

**d. Nuclear Hazard**

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

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

**e. Utility Services**

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

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

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

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

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

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

**f. War And Military Action**

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

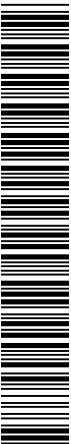
**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

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

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

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



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

This exclusion does not apply:

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

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

2. We will not pay for loss or damage caused by or resulting from any of the following:
  - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
    - (1) Electrical or electronic wire, device, appliance, system or network; or
    - (2) Device, appliance, system or network utilizing cellular or satellite technology.

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

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

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

- b. Delay, loss of use or loss of market.

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

- d. (1) Wear and tear;
- (2) Rust, or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

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

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

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- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1) Acting alone or in collusion with others; or
  - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
  - (1) An abrupt falling down or caving in;

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

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

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

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

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

This exclusion, **I.**, does not apply to damage to glass caused by chemicals applied to the glass

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



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

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

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

c. Faulty, inadequate or defective:

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

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

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

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

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

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

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

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

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

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

b. **Leasehold Interest Coverage Form**

(1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

(a) Your cancelling the lease;

(b) The suspension, lapse or cancellation of any license; or

(c) Any other consequential loss.

**c. Legal Liability Coverage Form**

(1) The following exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph **B.1.a.**, Ordinance Or Law;
- (b) Paragraph **B.1.c.**, Governmental Action;
- (c) Paragraph **B.1.d.**, Nuclear Hazard;
- (d) Paragraph **B.1.e.**, Utility Services; and
- (e) Paragraph **B.1.f.**, War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

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

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

**(b) Nuclear Hazard**

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

**5. Additional Exclusion**

The following provisions apply only to the specified property.

**LOSS OR DAMAGE TO PRODUCTS**

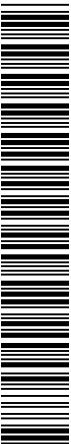
We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or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

**C. Limitations**

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

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

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:



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

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

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

However, this limitation does not apply to:

(1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

(2) Business Income Coverage or Extra Expense Coverage.

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

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

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

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

b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

(1) Glass; or

(2) Containers of property held for sale.

c. Builders' machinery, tools, and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

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

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

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

a. \$2,500 for furs, fur garments and garments trimmed with fur.

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

c. \$2,500 for patterns, dies, molds and forms.

d. \$250 for stamps, tickets, including Lottery tickets held for sale, and letters of credit.

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

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

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

a. Results in discharge of any substance from an automatic fire protection system; or

- b. Is directly caused by freezing.

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

#### D. Additional Coverage - Collapse

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

1. For the purpose of this Additional Coverage - Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
  - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse.
  - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in 2.a. or 2.b.;
    - (2) One or more of the "specified causes of loss";

- (3) Breakage of building glass;
- (4) Weight of people or personal property; or
- (5) Weight of rain that collects on a roof.

3. This **Additional Coverage - Collapse** does **not** apply to:
  - a. A building or any part of a building that is in danger of falling down or caving in;
  - b. A part of a building that is standing, even if it has separated from another part of the building; or
  - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
  - b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;if an abrupt collapse is caused by a cause of loss listed in 2.a. through 2.d., we will pay for loss or damage to that property only if:
  - (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
  - (2) The property is Covered Property under this Coverage Form.



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

- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

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

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

7. This Additional Coverage - Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

8. The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in **D.1.** through **D.7.**

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

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

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

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

- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a

total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

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



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

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage - Collapse.

6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.

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

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

## F. Additional Coverage Extensions

### 1. Property In Transit

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

a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

b. Loss or damage must be caused by or result from one of the following causes of loss:

(1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.

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

(3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

c. The most we will pay for loss or damage under this Extension is \$5000.

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

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

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

### 3. Glass

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

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

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

#### **G. Definitions**

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following: 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 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 a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

**A.** The exclusion in Paragraph **B.** replaces the **Water** Exclusion in this Coverage Part or Policy.

**B. Water**

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

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

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

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

## General Endorsement

POLICY NUMBER  
**BKS (20) 58 16 41 69**

Policy Period:  
**From 07/29/2019 To 07/29/2020**  
12:01 am Standard Time  
at Insured Mailing Location

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This Endorsement Changes The Policy. Please Read it Carefully.

FULL ENTITY NAME FOR ADDITIONAL INSURED FORM

CG 2011 IS AS FOLLOWS:

PRII HIGHLAND OAKS, LLC,

PGIM, INC AND THE PRUDENTIAL INSURANCE

COMPANY OF AMERICA

10210 HIGHLAND MANOR DRIVE, STE 100

TAMPA, FL 33610

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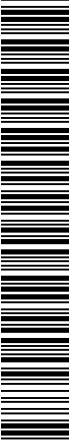
To report a claim, call your Agent or 1-800-362-0000

**CP 70 02 01 01**

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# General Endorsement

POLICY NUMBER  
**BKS (20) 58 16 41 69**  
Policy Period:  
**From 07/29/2019 To 07/29/2020**  
*12:01 am Standard Time  
at Insured Mailing Location*



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*To report a claim, call your Agent or 1-800-362-0000*

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## FUNGUS, WET ROT, DRY ROT AND BACTERIA EXCLUSION - FLORIDA

This endorsement modifies insurance provided under the following:

- CAUSES OF LOSS - BASIC FORM
- CAUSES OF LOSS - BROAD FORM
- CAUSES OF LOSS - SPECIAL FORM

### SCHEDULE \*

**Business Income/Extra Expense - Revised number of days** \_\_\_\_\_

**Limit Option:**

- Revised Limit \$** \_\_\_\_\_ applies to covered locations not listed under the Separate Location section.
- Separate Location Limit.** If selected, show the address and applicable Location Limit.

**Described Location**

**Location Limit**

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

- A.** Paragraph **B.2.d.(2)** of the Exclusions section in the Causes of Loss - Special Form is deleted and replaced by the following:
  - (2)** Rust, or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- B.** Paragraph **B.1.h.** of the Exclusions section is replaced by the following:
  - h. "Fungus", Wet Rot, Dry Rot And Bacteria**  
Presence, growth, proliferation or spread or any activity of "fungus", wet rot, dry rot or bacteria including the costs to test, monitor, clean up, remove, contain, treat, detoxify or neutralize the effects of "fungus", wet rot, dry rot or bacteria. However, if the presence, growth, proliferation or spread of "fungus", wet rot, dry rot or bacteria is caused by a Covered Cause of Loss we will pay up to \$25,000, or the limit shown in the Limit Option section of the Schedule, to remove or treat the "fungus", wet rot, dry rot or bacteria. Of this amount, we will pay no more than \$5,000 for the cost of testing to confirm the presence or level of "fungus", wet rot, dry rot or bacteria, whether performed during or after removal, repair, restoration or replacement. The limit of insurance provided for testing is included within and not in addition to the limit provided for the removal and treatment of the "fungus", wet rot, dry rot or bacteria.
- C.** The Additional Coverages section of the applicable Causes of Loss Form is changed as follows:  
The Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria is deleted and replaced by the provisions contained within this endorsement.
- D.** If the Separate Location Limit in the Limit Option section of the Schedule applies, then the location limit shown applies only to the Described Location in the Schedule.

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E. The following Additional Limitation is added for the Business Income (and Extra Expense) Coverage Form, Business Income (without Extra Expense) Coverage Form or Extra Expense Coverage Form, if attached to the policy:

If there is a Business Income loss or Extra Expense that is payable under this policy and which involves the presence, growth, proliferation or spread of "fungus", wet rot, dry rot or bacteria resulting from a Covered Cause of Loss, the following applies to any Business Income loss or Extra Expense attributable to the presence, remediation or attempted remediation of those conditions:

We will not pay for any Business Income loss sustained or Extra Expense incurred unless the presence of "fungus", wet rot, dry rot or bacteria, or Business Income loss or Extra Expense attributable to such conditions, is the result of an occurrence caused by a Covered Cause of Loss during this policy period. Regardless of when, during the policy period, the report is made, we will only pay for Business Income loss sustained or Extra Expense incurred in a period up to 60 consecutive days, or the revised number of days shown in the Schedule, from the date operations are suspended as a result of the discovery of "fungus", wet rot, dry rot or bacteria. If there is (in addition to the "fungus", wet rot, dry rot or bacteria) other damage to property at the described premises, which is covered under this Coverage Form, this Limitation will not affect coverage for Business Income or Extra Expense loss that is not attributable to the "fungus", wet rot, dry rot or bacteria.



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**REMOVAL PERMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

If Covered Property is removed to a new location that is added by endorsement to the policy subsequent to its original issue, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of the endorsement adding the new location; after that, this insurance does not apply at the previous location.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT**

This endorsement modifies the insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
CAUSES OF LOSS - BASIC FORM  
CAUSES OF LOSS - BROAD FORM  
CAUSES OF LOSS - SPECIAL FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM  
EXTRA EXPENSE COVERAGE FORM  
COMMON POLICY CONDITIONS

- A. The following is added as an Additional Coverage to the CAUSES OF LOSS - BASIC FORM, CAUSES OF LOSS - BROAD FORM, and CAUSES OF LOSS - SPECIAL FORM:

**Additional Coverage - Equipment Breakdown**

1. We will pay for direct physical damage to Covered Property that is caused by an "accident" to "covered equipment".
2. The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in the Equipment Breakdown Coverage Schedule. Coverage provided under this endorsement does not increase and is not in addition to any other Limit of Insurance.
3. The following coverages also apply to covered losses caused by an "accident". These coverages do not provide additional limits of insurance.

**a. Expediting Expenses**

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or replacement.

Reasonable extra cost shall mean the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation.

The most we will pay for under this coverage is \$100,000 unless otherwise provided in this policy.

**b. Hazardous Substances**

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expense to clean up or dispose of such property.

This does not include contamination of "perishable goods" by a refrigerant, including ammonia, which is addressed in 3.d. below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for under this coverage, including any actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$100,000 unless otherwise provided in this policy.



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**c. Spoilage**

- (1) We will pay for physical damage to "perishable goods" due to spoilage. The spoilage damage must be due to the lack of or excess of power, light, heat, steam or refrigeration caused by an "accident" to "covered equipment".
- (2) You must own the "perishable goods" or they must be in your care, custody or control and you must be legally liable for them.
- (3) We will also pay any necessary expense you incur to reduce the amount of loss under this coverage. We will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (4) If you are unable to replace the "perishable goods" before their anticipated sale date, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident" less discounts and expense you otherwise would have had. Otherwise, our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is \$100,000 unless otherwise provided in this policy.

**d. Refrigerant Contamination**

We will pay for physical damage to Covered Property due to contamination from the release of a refrigerant, including any related salvage expense.

The most we will pay for loss or damage under this coverage is \$100,000 unless otherwise provided in this policy.

**e. Data Restoration**

We will pay for your reasonable and necessary cost to research, replace and restore lost "data". The most we will pay for loss or expense under this coverage, including any actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$100,000 unless otherwise provided in this policy.

**f. Utility Services**

- (1) Insurance provided for Business Income, Extra Expense and Spoilage is extended to apply to your loss, damage or expense caused by an "accident" to equipment that is owned, managed, or controlled by your landlord or landlord's utility, or utility or other supplier with whom you have a contract, that directly supplies you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.
- (2) Unless otherwise provided in this policy, Utility Services coverage will not apply unless the loss of or disruption of service exceeds 24 hours immediately following the "accident".
- (3) The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage, respectively.

**g. Business Income and Extra Expense**

Any insurance provided under this Policy for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a separate Equipment Breakdown deductible is shown in the Policy, then as respects Equipment Breakdown coverage, the "period of restoration" will begin immediately after the "accident", and the separate Equipment Breakdown deductible shown in the Policy will apply. The most we will pay for loss of Business Income you sustain, and necessary Extra Expense you incur is the limit that applies to Business Income or Extra Expense unless otherwise provided in this policy.

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#### 4. Exclusions

For the purposes of this endorsement, all exclusions in the CAUSES OF LOSS - BASIC FORM, CAUSES OF LOSS - BROAD FORM, and CAUSES OF LOSS - SPECIAL FORM apply except as modified below.

a. The exclusions are modified as follows:

(1) The following is added to Paragraph **B.1.g Water**:

However, if electrical "covered equipment" requires drying out because of Water as described in **g.(1)** through **g.(3)** above, we will pay for the direct expense of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

(2) If CAUSES OF LOSS - BASIC FORM or CAUSES OF LOSS - BROAD FORM applies, the following is added to **Exclusions B.2**:

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if an "accident" results, we will pay for the resulting loss, damage or expense.

(3) If CAUSES OF LOSS - SPECIAL FORM applies, the last paragraph of **B.2.d. Exclusions** is deleted and replaced with the following:

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

b. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:

(1) Your failure to use all reasonable means to protect Covered Property from damage following an "accident".

(2) Any defect, programming error, programming limitation, computer virus, malicious code, loss of "data", loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense; or

(3) Any of the following tests:

(a) Hydrostatic, pneumatic, or gas pressure test of any boiler or pressure vessel; or

(b) Electrical insulation breakdown test of any type on electrical equipment.

c. With respect to Utility Services coverage, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in paragraph **5.a.(3)** of this endorsement); smoke; aircraft; or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

d. With respect to Business Income, Extra Expense and Utility Services coverages, we will also not pay for:

(1) Loss caused by your failure to use due diligence and all reasonable means to resume business; or

(2) Any increase in loss resulting from an agreement between you and your customer or supplier.

e. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident":

Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is "perishable goods", to the extent that spoilage is covered under Spoilage coverage.

f. We will not pay under this endorsement for any loss or damage to animals.

## 5. Definitions

The following are added to **H. Definitions**

- a. "Accident" means a fortuitous event that causes direct physical damage to "covered equipment" that requires repair or replacement. The event must be one of the following:
- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
  - (2) Artificially generated electrical current, including electric arcing, that damages electrical devices, appliances or wires;
  - (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;

An "accident" does not include the functioning of any safety or protective device, or any other condition, which can be corrected by resetting, tightening, adjusting, cleaning, or the performance of maintenance.

- b. "Covered equipment"

(1) means, unless otherwise provided in this policy, Covered Property:

- (a) That generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
- (b) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

(2) None of the following is "covered equipment":

- (a) Structure, foundation, cabinet, compartment or air supported structure or building;
- (b) Insulating or refractory material;
- (c) Sewer piping, underground vessels or piping, or piping forming part of a sprinkler system;
- (d) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (e) "Vehicle" or any equipment mounted on a "vehicle";
- (f) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (g) Dragline, excavation or construction equipment; or
- (h) Equipment manufactured by you for sale.

- c. "Data" means information or instructions stored in digital code capable of being processed by machinery.

- d. "Hazardous substance" means any substance that has been declared to be hazardous to health by any governmental agency.

- e. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

- f. "One accident" means if an initial "accident" causes other "accidents", all will be considered "one accident". All "accidents" at any one premises that manifest themselves at the same time and are the direct result of the same cause will be considered one "accident".

- g. "Perishable goods" means personal property maintained under controlled conditions for its preservation and susceptible to loss or damage if the controlled conditions change.

- h. For the purposes of this endorsement, "vehicle" means any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes a car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, or harvester.

However, any property that is permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

- B.** The BUILDING AND PERSONAL PROPERTY COVERAGE FORM, CONDOMINIUM ASSOCIATION COVERAGE FORM and CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM are modified as follows:

The definitions stated above in Paragraph **A.5.** also apply to section **B.** of this endorsement.

**1. Deductible**

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in the Policy. If a separate Equipment Breakdown deductible is shown, the following applies.

Regarding Equipment Breakdown Coverage only, section **D. Deductible** is deleted and replaced with the following:

**a. Deductible for Each Coverage**

- (1)** Unless the Declarations or Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident".
- (2)** We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Policy. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3)** If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident", only the highest deductible for each coverage will apply.

**b. Application of Deductibles**

**(1) Dollar Deductibles**

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage, or expense exceeds the applicable Deductible shown in the Policy. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

**(2) Time Deductible**

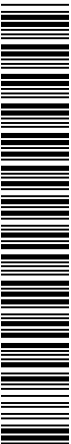
If a time deductible is shown in the Policy, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident". If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

**(3) Multiple of Average Daily Value (ADV)**

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income Coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration".

The number indicated in the Policy will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.



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**(4) Percentage of Loss Deductibles**

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

**2. Conditions**

The following conditions are added to the **Conditions** in the COMMON POLICY CONDITIONS and to section **F. Additional Conditions** in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM, CONDOMINIUM ASSOCIATION COVERAGE FORM, CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM:

**a. Suspension**

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend coverage under this endorsement for that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

- (1)** Your last known address; or
- (2)** The address where the "covered equipment" is located.

Once suspended, your insurance can only be reinstated by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective on the date in which our notice is mailed or delivered to you, even if we have not yet made or offered a refund.

**b. Jurisdictional Inspections**

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

**c. Environmental, Safety and Efficiency Improvements**

If "covered equipment" requires replacement due to an "accident", we will pay your additional cost to replace it with equipment that is better for the environment, safer or more efficient than the equipment being replaced. However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CUSTOM PROTECTOR™ ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy which means that it is subject to all limitations and conditions applicable to this Coverage Part, Coverage Form or Causes of Loss Form unless specifically deleted, replaced, or modified herein. This endorsement is applicable only to those locations described in the Declarations.

**Coverage for loss of Business Income or Extra Expense, whether provided by this endorsement or elsewhere, does not apply if a loss is covered only as a result of this endorsement.**

**If coverage is provided elsewhere in this policy for the same loss or damage as the coverage provided under this endorsement, the coverage under this endorsement will apply excess over that other coverage unless otherwise stated. We will not pay more than the actual amount of the covered loss or damage.**

<u>Coverage Description</u>	<u>Limit of Insurance</u>	<u>Section</u>
Accounts Receivable, Valuable Papers and Electronic Data		
Blanket Limit of Insurance - On Premises	\$ 200,000 Blanket	A.10.
Off Premises:		
Valuable Papers	\$ 10,000	A.10.
Accounts Receivable	\$ 10,000	A.10.
Electronic Data	\$ 10,000	A.10.
Additional Covered Property	Included	A.2.
Appurtenant Structures		
Buildings	\$ 50,000	A.16.u.
Business Personal Property	\$ 5,000	A.16.u.
Back-up of Sewers or Drains	\$ 25,000	F.
Broadened Premises	Included	A.1.
Business Income	\$ 25,000	A.16.s.
Business Income - Newly Acquired Locations	\$ 250,000	A.16.s.
Business Income - Utility Services - Time Element	\$ 25,000	A.16.t.
Business Personal Property - Seasonal Increase	33%	A.16.v.
"Cellular Phones" - Coverage	\$ 1,000	A.16.i.
Computer Equipment	\$ 50,000	A.16.n.
Consequential Loss	Included	A.16.r.
Debris Removal	\$ 25,000	A.6.
Employee Dishonesty	\$ 50,000	A.11.h.
Employee Tools Coverage	\$ 25,000	A.16.w.
Extra Expense	\$ 25,000	A.16.j.
Fine Arts	\$ 25,000	A.16.k.
Fire Department Service Charge	\$ 25,000	A.8.
Fire Protective Devices	\$ 25,000	A.16.l.
Forgery or Alteration	\$ 50,000	A.11.k.
Foundations	Included	A.5.
Inventory and Appraisal Expense Coverage	\$ 10,000	A.11.g.
Lock Replacement	\$ 10,000	A.16.o.
Loss of Refrigeration	\$ 25,000	A.16.m.
Lost Key Coverage	\$ 10,000	A.11.j.



<u>Coverage Description</u>	<u>Limit of Insurance</u>	<u>Section</u>
Money and Securities		
Inside the Premises	\$ 25,000	A.16.p.
Outside the Premises	\$ 25,000	A.16.p.
Money Orders and Counterfeit Money	\$ 25,000	A.11.i.
Newly Acquired or Constructed Property	180 days	A.12.
Buildings	\$ 1,000,000	A.12.
Business Personal Property	\$ 500,000	A.12.
Off-Premises Services Interruption	\$ 25,000	A.16.q.
Ordinance or Law	A - Incl. in Building Limit B & C - 25% of the Building Limit subject to \$100,000	A.11.l.
Outdoor Property	\$ 10,000	A.15.
Personal Effects and Property of Others	\$ 15,000	A.13.
Pollutant Clean Up and Removal	\$ 50,000	A.9.
Preservation of Property	90 days	A.7.
Property Off-Premises (Including while in Transit)	\$ 50,000	A.14.
Real Property of Others Required by Contract	\$ 25,000	A.4.
Reward ( <b>Not available in New York</b> )	\$ 25,000	A.16.h.
Signs	\$ 10,000	B.
Special Deductible Provision	Included	C.
Undamaged Improvements & Betterments	Included	A.3. & D.1.
Waiver of Coinsurance on losses \$10,000 or less	Included	E.

A. The following changes apply to Section A. **COVERAGE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM and the CONDOMINIUM ASSOCIATION COVERAGE FORM:

**1. Broadened Premises**

The **within 100 feet of the described premises** description stated in Paragraph A.1.a.(5)(b), **Building**, Paragraph A.1.b., **Your Business Personal Property**, Paragraph A.1.c.(2), **Personal Property of Others** and Paragraph A.5., **Coverage Extensions** is deleted and replaced by **within 1000 feet of the described location**.

**2. Additional Covered Property**

The following are added to item **a. Building** of Paragraph 1. **Covered Property**:

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

Retaining walls (except retaining walls used to contain water) that are not part of a building.

Item **d.** is deleted from paragraph 2. **Property Not Covered**.

Item **I.** of paragraph 2., **Property Not Covered** is deleted and replaced by the following:

**I.** Retaining walls used to contain water.

**3. Undamaged Improvements And Betterments**

(This coverage does not apply to the CONDOMINIUM ASSOCIATION COVERAGE FORM.)

The following is added to paragraph **A.1.b Your Business Personal Property**:

**(8)** Undamaged Improvements and Betterments;

**(a)** Improvements and betterments coverage includes the portion of improvements and betterments not damaged in a covered loss.

**(b)** We will pay for the portion of undamaged improvements and betterments only if a minimum of six months is required to repair or rebuild the building for your occupancy, and only when your lease is cancelled:

**(i)** By the lessor;

**(ii)** By a valid condition of your lease; and

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(iii) Due to direct physical loss or damage by a Covered Cause of Loss to property at the location(s) stated in the Declarations.

**4. Real Property Of Others Required By Contract**

The following is added to item **b. Your Business Personal Property** of Paragraph **1. Covered Property** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM as subparagraph **(9)** and to the CONDOMINIUM ASSOCIATION COVERAGE FORM as subparagraph **(4)**:

Real Property including but not limited to building, doors and windows which are your responsibility to insure under any contract.

The most we will pay for loss or damage to covered property is \$25,000 in any one occurrence.

**5. Foundations**

Item **g.** is deleted in its entirety from Paragraph **2. Property Not Covered.**

**6. Debris Removal**

Paragraph **A.4.a.(4)** is deleted and replaced by the following:

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

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

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

**7. Paragraph A.4. Additional Coverage is amended as follows:**

**b. Preservation of Property**

The 30 day limitation in paragraph **A.4.b.(2)** is increased to 90 days.

**8. Fire Department Service Charge**

Item **c. Fire Department Service Charge** of Paragraph **4. Additional Coverages** is deleted and replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 in any one occurrence for your liability for fire department service charges. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, regardless of the number or type of services performed.

This Additional coverage applies to your fire department service charges:

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

No deductible applies to this Additional Coverage.

**9. Pollutant Clean Up And Removal**

Item **d. Pollutant Clean Up And Removal** of Paragraph **4. Additional Coverages**, the last paragraph is amended as follows:

The most we will pay under this Additional Coverage is \$50,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.



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**10. 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 payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from a Covered Cause of Loss to your records of accounts receivable.

The limits of insurance as respects the following Additional Coverages and Coverage Extensions:

Electronic Data;

Valuable Papers and Records (Other Than Electronic Data);

are deleted and included in the following blanket limit:

**Accounts Receivable, Valuable Papers And Electronic Data Blanket Limit Of Insurance:**

The most we will pay for loss or damage as respects the following Additional Coverages or Coverage Extensions is \$200,000 in total for each described location in any one occurrence:

Accounts Receivable;

Valuable Papers and Records;

Electronic Data;

However, as respects to Valuable Papers and Records or Accounts Receivable at a location not described in the Declarations the most we will pay is \$10,000 respectively in any one occurrence.

The most we will pay for Electronic Data at a premise not described in the Declarations or in transit is \$10,000 in any one policy year, regardless of the number of occurrences of loss or damage or computer systems involved. Under this Extension, electronic data has the meaning described in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM and the CONDOMINIUM ASSOCIATION COVERAGE FORM under Property Not Covered - Electronic Data.

**11. The following are added to paragraph A.4. Additional Coverages:**

**g. Inventory And Appraisal Expense Coverage**

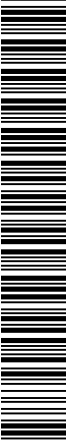
We will pay up to \$10,000 in any one occurrence for incurred inventory and appraisal costs, and expenses for preparation of loss data, due to loss or damage as a result of a Covered Cause of Loss to covered property. We will only pay if the costs are incurred and are reasonable and necessary to establish the amount of the loss. Attorney or public adjuster fees are not covered costs under this section.

**h. Employee Dishonesty**

(1) 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:

- (a) Cause you to sustain loss or damage; and
- (b) 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:
  - (i) Any employee; or
  - (ii) Any other person or organization.

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- (2) We will not pay for loss or damage:

    - (a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or
    - (b) The only proof of which as to its existence or amount is dependent upon:
      - (i) An inventory computation; or
      - (ii) A profit and loss computation.
  - (3) The most we will pay for loss or damage in any one occurrence is \$50,000.
  - (4) All loss or damage:

    - (a) Caused by one or more persons; or
    - (b) Involving a single act or series of related acts; is considered one occurrence.
  - (5) If any loss is covered:

    - (a) Partly by this insurance; and
    - (b) 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 amount recoverable under this insurance or the prior insurance.
  - (6) We will pay 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.
  - (7) This Additional Coverage does not apply to the dishonest act of any employee that occurs after the discovery by:

    - (a) You; or
    - (b) Any of your partners, officers, directors or trustees not in collusion with the employee of any dishonest act committed by that employee whether before or after becoming employed by you.
  - (8) Will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
  - (9) If you (or any predecessor in interest) sustained loss or damage during the 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 Additional Coverage, provided:

    - (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
    - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
  - (10) The insurance under paragraph (9) above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:

    - (a) This Additional Coverage as of its effective date; or
    - (b) The prior insurance had it remained in effect.

Coverage provided under this Additional Coverage is subject to a Deductible equal to the Property Deductible shown in the Declarations.

"Employee" means:

- (1) Any natural person:
  - (a) While in your service and for 30 days after termination of service; and
  - (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; or
- (2) Any natural person employed by an employment contractor 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.

But "employee" does not mean any:

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

**i. Money Orders And Counterfeit Money**

We will pay for your loss when you accept in good faith:

- (1) Any money order in exchange for goods or services if the money order is not paid when presented to the issuer; or
- (2) Counterfeit U.S. or Canadian paper money in the regular course of business.

The most we will pay under this additional coverage is \$25,000 in any one occurrence.

**j. Lost Key Coverage**

We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a Covered Cause of Loss. We will pay for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks, including the cost of their installation.

The most we will pay for loss or damage under this coverage is \$10,000 in any one occurrence.

**k. Forgery Or Alteration**

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent. We will pay for loss 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.
- (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) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, employees, managers, members, officers, directors or trustees whether acting alone or in collusion with others.
- (5) The most we will pay for all loss, including legal expenses, under this Additional Coverage is \$50,000.

"Money" means:

- (1) Currency, coins and bank notes in current use and having a face value; and
- (2) Travelers checks, register checks and money orders held for sale to the public.

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I. **Ordinance Or Law**

- (1) If a Covered Cause of Loss occurs to covered Building property, we will pay:
- (a) **Coverage For Loss to the Undamaged Portion of the Building** - For the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:
    - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
    - (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at a described location; and
    - (iii) Is in force at the time of loss.
  - (b) **Demolition Cost Coverage** - The cost to demolish and clear the site of undamaged parts of the property caused by the enforcement of building, zoning or land use ordinance or law.

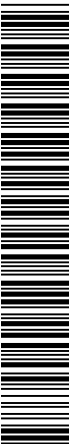
The COINSURANCE Additional Condition does not apply to this demolition cost coverage.
  - (c) **Increased Cost of Construction Coverage** - The increased cost to:
    - (i) Repair or reconstruct damaged portions of that Building property; and/or
    - (ii) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

When the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

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.

The COINSURANCE Additional Condition does not apply to this increased cost of construction coverage.
- (2) We will not pay the increased costs of construction under this coverage:
- (a) Until the property is actually repaired or replaced, at the same or another location; and
  - (b) 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.
- (3) We will not pay under this coverage 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".
- (4) The most we will pay under this coverage in any one occurrence:
- (a) Coverage I.(1).(a.) above is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. The loss in value of the undamaged portion of the building does not increase the Limit of Insurance.
  - (b) For coverages I.(1).(b.) and (c.) above the lesser of:
    - (i) 25% of the Limit of Insurance shown in the Declarations for Building Coverage; or
    - (ii) \$100,000.
- (5) We will not pay for loss due to any ordinance or law that:
- (a) You were required to comply with before the loss, even if the building was undamaged, and
  - (b) You failed to comply with.



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**12. Newly Acquired Or Constructed Property**

Item **a. Newly Acquired or Constructed Property** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

**(1) Buildings**

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

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

The most we will pay for loss or damage under this Extension is \$1,000,000 at any one location.

**(2) Your Business Personal Property**

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

The most we will pay for loss or damage under this Extension is \$500,000 at any one location.

**(b)** This Extension does not apply to:

- (i)** Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii)** Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

**(3) Period Of Coverage**

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

- (a)** This policy expires;
- (b)** 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c)** You report values to us.

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

**13. Personal Effects And Property Of Others**

Item **b. Personal Effects and Property of Others** of Paragraph **5. Coverage Extensions**, the last paragraph is amended as follows:

The most we will pay for loss or damage under this Extension is \$15,000 in any one occurrence. Our payment for loss of or damage to personal property of others (including property of others held by you on consignment) will only be for the account of the owner of the property.

**14. Property Off-Premises**

Item **d. Property Off-Premises** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

- (1)** You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described location(s) if it is:
  - (a)** Temporarily at a location you do not own, lease or operate;

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(b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or

(c) At any fair, trade show or exhibition

This Extension applies only if loss or damage is caused by a Covered Cause of Loss. This extension does **not** apply to loss to property covered under the Wholesalers Custom Protector Endorsement, Manufacturers Custom Protector Endorsement, or Food Processors Custom Protector Endorsement.

(2) You may extend the insurance provided by this Coverage Form to apply to your personal property in a vehicle or in transit more than 1,000 feet from the described location(s) while:

(a) In or on a vehicle you own, rent or lease;

(b) In the custody of a carrier for hire; or

(c) In the custody of an air or rail carrier

within the coverage territory.

The reference to **Property Not Covered** in **A.2.i.** for Property while airborne or waterborne does not apply to this Coverage Extension. However, there is no coverage under this Extension for shipments of any exported or imported property that originate or terminate outside of the United States of America, its territories and possessions, Canada, and Puerto Rico.

There is no coverage under this Extension for:

(a) Fine arts, antiques, fur garments, jewelry, precious or semiprecious stones, gold, silver, platinum, or other precious metals or alloys; or

(b) Mail shipments in the custody of the U.S. Postal Service.

(3) The most we will pay for loss or damage under this Extension is \$50,000.

## 15. Outdoor Property

Item **e. Outdoor Property** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, lighting, lighting standards, radio and television antennas, satellite dish, signs (other than signs attached to buildings), playground equipment, scoreboards, trees, shrubs and plants (other than "stock" of trees, shrubs or plants or part of a vegetated roof) including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

The most we will pay for loss or damage under this Extension is \$10,000, but not more than \$1,000 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or numbers of items lost or damaged in that occurrence.

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

16. The following are added to Paragraph **5. Coverage Extensions**:

### g. Reward (Not available in New York)

We will pay on behalf of the insured up to \$25,000 for information which leads to an arson or theft conviction in connection with a fire loss covered under this Coverage Form. Regardless of the number of persons involved in providing information, our liability under this Coverage Extension will not be increased.

### h. Cellular Phones

The most we will pay for loss or damage to "Cellular Phones" is \$1,000 in any one calendar year.

With regard to this provision: "Cellular Phone" is defined as any cellular phone that is:

(1) Permanently installed in a vehicle by other than the manufacturer of the vehicle; or

(2) Not permanently installed in a vehicle.

**i. Extra Expense**

We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to the property at the location(s) described in the Declarations, including personal property in the open or in a vehicle, within 1,000 feet of the location(s), caused by or resulting from any Covered Cause of Loss.

If you are a tenant, your location is the portion of the building which you rent, lease or occupy, including:

- (1) All routes within the building to gain access to the described location; and
- (2) Your personal property in the open (or in a vehicle) within 1000 feet of the described location.

The following definitions are added as respects this Coverage Extension:

- (1) Extra Expense means necessary expenses you incur during the period of restoration that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses which are incurred to:
  - (a) Avoid or minimize the suspension of business and to continue operations:
    - (i) At the described location(s); or
    - (ii) At replacement location(s) or at temporary locations, including:  
Including relocation expenses or costs to equip and operate the replacement or temporary locations.
  - (b) Minimize the suspension of business if you cannot continue operations.
  - (c) To repair or replace any property; or
  - (d) To 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 Coverage Extension .

- (2) Operations means the type of your business activities occurring at the described location(s).
- (3) Period of Restoration means the period of time that:
  - (a) Begins with the date of direct physical loss or damage caused by or resulting from a Covered Cause of Loss at the described location(s); and
  - (b) Ends on the earlier of:
    - (i) The date when the property at the described location(s) should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (ii) 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.

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

**j. Fine Arts**

You may extend the insurance that applies to your Business Personal Property to apply to your fine arts and fine arts owned by others that are in your care, custody or control.

This Extension does not apply to loss or damage caused by or resulting from:

- (1) While fine arts are at any fair or on exhibition;
- (2) Any repairing, restoration or retouching process;

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- (3) Insects, birds, rodents or other animals;
- (4) Wear and tear;
- (5) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
- (6) Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss or damage caused directly by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, vandalism, or by accident to the vehicle carrying the property.

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

**k. Fire Protective Devices**

You may extend the insurance provided by this Coverage Form to apply to recharging or refilling of your fire protective devices that are permanently installed in buildings at the described location(s) when such devices have been discharged by accident or after being used in fighting a fire. This Extension does not apply to periodic recharge or refilling.

The most we will pay under this Extension is \$25,000 for each separate 12-month period of this policy.

**l. Loss Of Refrigeration**

You may extend the insurance provided by this Coverage Form to apply to direct physical loss of or damage to property owned by you and used in your business or owned by others and in your care, custody or control, contained in any refrigeration or cooling apparatus or equipment resulting from:

- (1) The fluctuation or total interruption of electrical power, either at or away from the described location, due to conditions beyond your control; or
- (2) Mechanical failure of any refrigeration or cooling apparatus or equipment at the described location(s).

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

**m. Computer Equipment**

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "computer equipment" owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "laptop/portable computers" owned by you and in your care, custody and control or in the care, custody or control of your employee.

**(1) Property Not Covered**

We will not cover the following kinds of property under this Extension:

- (a) Property which you rent or lease to others;
- (b) Software or other electronic data ;
- (c) Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents.
- (d) "Computer equipment" held for sale by you;
- (e) "Computer equipment" of others on which you are performing repairs or work;
- (f) "Computer equipment" or that is part of any:
  - (i) Production or processing equipment (such as CAD, CAM or CNC machines);
  - (ii) Equipment used to maintain or service your building (such as heating, ventilating, cooling or alarm systems); or
  - (iii) Communication equipment (such as telephone systems).



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(g) Property that is covered under another coverage form of this or any other policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

**(2) Property In Transit**

We will pay for your "computer equipment", or "laptop/portable computer" while in transit.

**(3) Loss Payment will be determined as follows:**

"Computer equipment" or "laptop/portable computers"

We will pay the lesser of the following amounts:

(a) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or

(b) The cost of replacing that property with identical property of like kind and quality and used for the same purpose.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with property of like kind and quality capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

"Computer equipment" means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

"Laptop/portable computers" means "computer equipment" and accessories that are designed to function with it that can easily be carried and is designed to be used at more than one location.

The most we will pay for loss or damage to "computer equipment" and "laptop/portable computers" under this Extension is \$50,000 in any one occurrence.

**n. Lock Replacement**

You may extend the insurance provided by this Coverage Form to apply to replacement of locks necessitated by theft of Covered Property or theft of keys from the described location.

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

**o. Money And Securities**

(1) You may extend the insurance that applies to Business Personal Property to apply to 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:

(a) Theft, meaning any act of stealing;

(b) Disappearance; or

(c) Destruction.

(2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

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

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

(c) 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.

(3) The most we will pay for loss in any one occurrence is:

(a) \$25,000 for Inside the Premises for "money" and "securities" while:

(i) In or on the described premises; or

(ii) Within a bank or savings institution; and

(b) \$25,000 for Outside the Premises for "money" and "securities" while anywhere else.

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- (4) All loss:
  - (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
 

is considered one occurrence.
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (6) "**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.
- (7) "**Securities**" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
  - (a) Tokens, tickets, revenue and other stamps (whether 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".

**p. Off-Premises Services Interruption**

You may extend the insurance provided by this Coverage Form to apply to loss of or damage to Covered Property caused by an interruption in utility service to the described location. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following property away from the described location:

- (1) **Water Supply Services**, meaning the following types of property supplying water to the described location:
  - (a) Pumping stations; and
  - (b) Water mains.
- (2) **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described location, such as:
  - (a) Communication transmission lines, including optic fiber transmission lines;
  - (b) Coaxial cables; and
  - (c) Microwave radio relays except satellites.

Coverage does not include above ground communication lines.
- (3) **Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described location:
  - (a) Utility generating plants;
  - (b) Switching stations;
  - (c) Substations;
  - (d) Transformers; and
  - (e) Transmission lines.

**Coverage does not include above ground transmission or distribution lines.**

This Extension does not apply to loss of or damage to property owned by you and used in your business or owned by others and in your care, custody or control, contained in any refrigeration or cooling apparatus or equipment, resulting from:

- (a) The fluctuation or total interruption of electrical power, either on or off the described location, due to conditions beyond your control; or
- (b) Mechanical failure of any refrigeration or cooling apparatus or equipment.

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



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**q. Consequential Loss And Personal Property Of Others**

The following is added to the Loss Payment provisions of Part E. Property Loss Conditions:

If a Covered Cause of Loss occurs to covered stock and/or Personal Property of Others, we will pay any reduction in value of the remaining undamaged parts of covered stock including loss or damage resulting from confusion of personal property of others caused by a Covered Cause of Loss.

Payment for any reduced value in stock is included within the applicable Limit of Insurance.

**r. Business Income**

We will pay up to \$25,000 in any one occurrence 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 or damage to your covered Building or Business Personal Property at locations that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your location is the portion of the building which you rent, lease or occupy, including:

- (1) All routes within the building to gain access to the described location; and
- (2) Your personal property in the open (or in a vehicle) within 100 feet of the described location.

The COINSURANCE Additional Condition does not apply as respects this Coverage Extension.

We will also pay up to \$250,000 in any one occurrence for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration caused by direct physical loss or damage to any location you acquire, other than fairs or exhibitions. Insurance under this Coverage Extension for each newly acquired location 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; or
- (3) You report values to us.

The following definitions are added as respects this Coverage Extension:

- (1) "Business Income" means the:
  - (a) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
  - (b) Continuing normal operating expenses incurred, including payroll.
- (2) "Operations" means the type of your business activities occurring at the described location(s).
- (3) "Period of Restoration" means the period of time that:
  - (a) Begins 72 hours after the time of direct physical loss or damage for Business Income coverage caused by or resulting from a Covered Cause of Loss at the described locations; and
  - (b) Ends on the earlier of:
    - (i) The date when the property at the described locations should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (ii) 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.

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**s. Business Income - Utility Services - Time Element**

We will pay up to \$25,000 in any one occurrence for the actual loss of Business Income you sustain at the described location caused by an interruption in utility service to the described location. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following types of property located outside of a covered building described in the Declarations. This Coverage Extension begins 72 hours after such direct physical loss or damage.

**(1) Water Supply Services**, meaning the following types of property supplying water to the described location:

- (a)** Pumping stations; and
- (b)** Water mains.

**(2) Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described location such as:

- (a)** Communication transmission lines, including optic fiber transmission lines;
- (b)** Coaxial cables; and
- (c)** Microwave radio relays except satellites.

Coverage does not include above ground communication lines.

**(3) Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described location:

- (a)** Utility generating plants;
- (b)** Switching stations;
- (c)** Substations;
- (d)** Transformers; and
- (e)** Transmission lines.

**Coverage does not include above ground transmission or distribution lines.**

**t. Appurtenant Structures**

You may extend the insurance that applies to Building to apply to your storage buildings, your garages and your other appurtenant structures, except outdoor fixtures, at the described locations. The most we will pay for Building loss or damage under this Extension is \$50,000 in any one occurrence.

You may extend the insurance that applies to Business Personal Property to apply to such property in your storage buildings, your garages and your other appurtenant structures at the described location(s). The most we will pay for Business Personal Property loss or damage under this Extension is \$5,000 in any one occurrence.

**u. Business Personal Property Limit Seasonal Increase**

The Limit of Insurance for Business Personal Property will automatically increase by 33% to provide for seasonal variations. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 90% of your average monthly value during the lesser of:

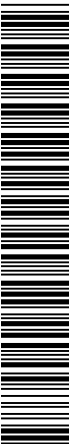
- (1)** The 12-month period immediately preceding the date the loss or damage occurs; or
- (2)** The period of time you have been in business as of the date loss occurs.

**v. Employee Tools Coverage**

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to tools owned by your employees while used in your business or when in your building.

However, we will not pay for a loss that is caused by or results from theft or attempted theft of employee tools unless such loss occurs:

- (1)** In a building and there is visible evidence of forcible entry to or exit from that building; or



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(2) From a locked vehicle and there is visible evidence of forcible entry.

The value of Employee Tools will be determined at actual cash value as of the time of loss or damage.

The most we will pay with respect to employee tools is \$25,000 in any one occurrence.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

- B. The second paragraph of Section **C. LIMITS OF INSURANCE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM and the CONDOMINIUM ASSOCIATION COVERAGE FORM is deleted and replaced by the following:

**Signs**

The most we will pay for loss or damage to outdoor signs is \$10,000 per sign in any one occurrence.

- C. The following is added to Section **D. DEDUCTIBLE**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM and the CONDOMINIUM ASSOCIATION COVERAGE FORM:

**Special Deductible Provision**

We will deduct from any loss or damage under the Coverage Extensions in any one occurrence the Deductible shown in the Declarations or \$500, whichever is less.

This deductible applies to all Coverage Extensions, except for:

- a. Newly Acquired or Constructed Property; and
- e. Outdoor Property
- i. "Cellular Phone" coverage has a \$50 per occurrence deductible.

This deductible will be used to satisfy the requirements of the deductible in the Declarations, but it will not increase the deductible shown in the Declarations.

- D. The following changes apply to Section **E. Loss Conditions** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**:

1. The following is added to Paragraph **E. 7. Valuation**

Undamaged Tenants Improvements and Betterments

We will determine the value for Undamaged Tenants Improvements and Betterments as included in section **A.3.** of this endorsement as follows:

- (a) The cost to repair or replace on the same or another site if you make repairs promptly;
- (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
  - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

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

- E. **Coinsurance**

Section **F. ADDITIONAL CONDITIONS**, Paragraph **1. Coinsurance** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM and the CONDOMINIUM ASSOCIATION COVERAGE FORM applies only when the total loss or damage to all Covered Property in any one occurrence is greater than \$10,000.

- F. **Back-Up Of Sewers Or Drains**

Paragraph **B.1.g.3. Water** of the CAUSES OF LOSS - SPECIAL FORM is deleted and replaced by the following:

3. Except as provided under the Back-Up of Sewers or Drains Additional Coverage Extension, water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

The following is added to Section **F. Additional Coverage Extensions** of the CAUSES OF LOSS - SPECIAL FORM:

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**4. Back-Up Of Sewers Or Drains**

We cover direct physical loss or damage caused by water:

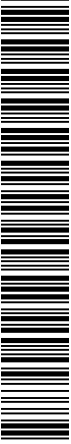
- a. Which backs up into a building or structure through sewers or drains which are directly connected to a sanitary sewer or septic system; or
- b. Which enters into and overflows from within a sump pump, sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

This coverage does not apply if the loss or damage is caused by your negligence.

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

If the DISCHARGE FROM SEWER, DRAIN, OR SUMP (NOT FLOOD-RELATED) endorsement is attached to and made a part of this policy, the provisions of this Coverage Extension are superseded for any location to which the aforementioned endorsement applies.

**All other terms and conditions remain unchanged.**



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## COMMON POLICY CONDITIONS

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

### A. CANCELLATION

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

### B. CHANGES

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

### C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

### D. INSPECTIONS AND SURVEYS

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

### E. PREMIUMS

The first Named Insured shown in the Declarations:

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

### F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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



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



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 FARM COVERAGE PART  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
 UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
  - A. Under any Liability Coverage, to "bodily injury" or "property damage":
    - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
    - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
    - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

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



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**FLORIDA CHANGES - LEGAL ACTION AGAINST US**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART

The following replaces the second paragraph of the **Legal Action Against Us** Condition:

**LEGAL ACTION AGAINST US**

Legal action against us involving direct physical loss or damage to property must be brought within 5 years from the date the loss occurs.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### FLORIDA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

- CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART
- STANDARD PROPERTY POLICY

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

**2. Cancellation For Policies In Effect 90 Days Or Less**

a. If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
  - (a) A material misstatement or misrepresentation; or
  - (b) A failure to comply with underwriting requirements established by the insurer.

b. We may not cancel:

- (1) On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

(2) Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

B. Paragraph 5. of the **Cancellation** Common Policy Condition is replaced by the following:

- 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. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect, unless this is an audit policy.

If this is an audit policy, then, subject to your full cooperation with us or our agent in securing the necessary data for audit, we will return any premium refund due within 90 days of the date cancellation takes effect. If our audit is not completed within this time limitation, then we shall accept your own audit, and any premium refund due shall be mailed within 10 working days of receipt of your audit.

The cancellation will be effective even if we have not made or offered a refund.



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

**7. Cancellation For Policies In Effect For More Than 90 Days**

a. If this policy has been in effect for more than 90 days, we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) The policy was obtained by a material misstatement;
- (3) In the event of failure to comply, within 90 days after the effective date of coverage, with underwriting requirements established by us before the effective date of coverage;
- (4) There has been a substantial change in the risk covered by the policy;
- (5) The cancellation is for all insureds under such policies for a given class of insureds;
- (6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- (7) On the basis of a single property insurance claim which is the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or
- (8) The cancellation of some or all of our policies is necessary to protect the best interests of the public or policyholders and such cancellation is approved by the Florida Office of Insurance Regulation.

b. If we cancel this policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:

- (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium;

(2) 45 days before the effective date of cancellation if:

(a) Cancellation is for one or more of the reasons stated in Paragraphs **7.a.(2)** through **7.a.(7)** above, and this policy does not cover a residential structure or its contents; or

(b) Cancellation is based on the reason stated in Paragraph **7.a.(8)** above;

(3) 120 days before the effective date of cancellation if:

(a) Cancellation is for one or more of the reasons stated in Paragraphs **7.a.(2)** through **7.a.(7)** above; and

(b) This policy covers a residential structure or its contents.

c. If this policy has been in effect for more than 90 days and covers a residential structure or its contents, we may not cancel this policy based on credit information available in public records.

D. The following is added:

**Nonrenewal**

1. If we decide not to renew this policy, we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the specific reason for nonrenewal, at least:

a. 45 days prior to the expiration of the policy if this policy does not cover a residential structure or its contents, or if nonrenewal is for the reason stated in Paragraph **D.5.**; or

b. 120 days prior to the expiration of the policy if this policy covers a residential structure or its contents.

2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. We may not refuse to renew this policy:

a. On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;

b. On the basis of filing of claims for sinkhole loss. However, we may refuse to renew this policy if:

(1) The total of such property insurance claim payments for this policy equals or exceeds the policy limits in effect on the date of loss for property damage to the covered building; or

(2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based; or

c. Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

4. Notwithstanding the provisions of Paragraph D.3., we may refuse to renew this policy if this policy includes Sinkhole Loss coverage. If we nonrenew this policy for purposes of removing Sinkhole Loss coverage, pursuant to section 627.706, Florida Statutes, we will offer you a policy that includes catastrophic ground cover collapse coverage.

5. Notwithstanding the provisions of Paragraph D.3., we may refuse to renew this policy if nonrenewal of some or all of our policies is necessary to protect the best interests of the public or policyholders and such nonrenewal is approved by the Florida Office of Insurance Regulation.

**E. Limitations On Cancellation And Nonrenewal In The Event Of Hurricane Or Wind Loss - Residential Property**

1. The following provisions apply to a policy covering a residential structure or its contents, if such property has sustained damage as a result of a hurricane or windstorm that is the subject of a declaration of emergency by the Governor and filing of an order by the Commissioner of Insurance Regulation:

a. Except as provided in Paragraph E.1.b., we may not cancel or nonrenew the policy until at least 90 days after repairs to the residential structure or its contents have been substantially completed so that it is restored to the extent that it is insurable by another insurer writing poli-

cies in Florida. If we elect to not renew the policy, we will provide at least 100 days' notice that we intend to nonrenew 90 days after the substantial completion of repairs.

b. We may cancel or nonrenew the policy prior to restoration of the structure or its contents for any of the following reasons:

(1) Nonpayment of premium;

(2) Material misstatement or fraud related to the claim;

(3) We determine that you have unreasonably caused a delay in the repair of the structure; or

(4) We have paid the policy limits.

If we cancel or nonrenew for nonpayment of premium, we will give you 10 days' notice. If we cancel or nonrenew for a reason listed in Paragraph b.(2), b.(3) or b.(4), we will give you 45 days' notice.

2. With respect to a policy covering a residential structure or its contents, any cancellation or nonrenewal that would otherwise take effect during the duration of a hurricane will not take effect until the end of the duration of such hurricane, unless a replacement policy has been obtained and is in effect for a claim occurring during the duration of the hurricane. We may collect premium for the period of time for which the policy period is extended.

3. With respect to Paragraph E.2., a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The hurricane occurrence begins at the time a hurricane watch or hurricane warning is issued for any part of Florida by the NHC and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**FLORIDA - SINKHOLE LOSS COVERAGE**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 FARM COVERAGE PART

**SCHEDULE**

Premises Number	Building Number

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

With respect to the location(s) indicated in the Schedule, the following provisions apply:

- A. When this endorsement is attached to Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B. When this endorsement is attached to the Farm Livestock Coverage Form, reference to loss (other than in the term Sinkhole Loss itself) means "loss" as defined in that coverage form.
- C. The following is added to this Coverage Part as a Covered Cause of Loss. In the forms which address "specified causes of loss", the following is also added as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage - Collapse.

**Sinkhole Loss**, meaning loss or damage to Covered Property when "structural damage" to the covered building, including the foundation, is caused by settlement or systematic weakening of the earth supporting the covered building, only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

Coverage for Sinkhole Loss includes stabilization of the building (including land stabilization) and repair to the foundation, provided such work is in accordance with the requirements of Florida Insurance Law and in accordance with the recommendation of a professional engineer and with notice to you. The professional engineer must be selected or approved by us. However, until you enter into a contract for performance of building stabilization or foundation repair in accordance with the recommendations of the professional engineer as set forth in a report from us:

- 1. We will not pay for underpinning or grouting or any other repair technique performed below the existing foundation of the building; and
- 2. Our payment for Sinkhole Loss to Covered Property may be limited to the actual cash value of the loss to such property.

You must enter into a contract for the performance of building stabilization and/or foundation repair in accordance with the aforementioned recommendations, within 90 days after we notify you that there is coverage for your Sinkhole Loss. After you have entered into such contract, we will pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred.

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However, if the professional engineer determines, prior to your entering into the aforementioned contract or prior to the start of repair work, that the repairs will exceed the applicable Limit of Insurance, we must either complete the recommended repairs or pay that Limit of Insurance upon such determination. If the aforementioned determination is made during the course of repair work and we have begun making payments for the work performed, we must either complete the recommended repairs or pay only the remaining portion of the applicable Limit of Insurance upon such determination. The most we will pay for the total of all Sinkhole Loss, including building and land stabilization and foundation repair, is the applicable Limit of Insurance on the affected building.

The stabilization and all other repairs to the Covered Property must be completed within 12 months after entering into the contract for the performance of these repairs, unless:

1. There is a mutual agreement between you and us;
2. The claim is involved with the neutral evaluation process;
3. The claim is in litigation; or
4. The claim is under appraisal or mediation.

**D.** Sinkhole Loss does not include:

1. Sinking or collapse of land into man-made underground cavities; or
2. Earthquake.

**E.** With respect to coverage provided by this endorsement, the **Earth Movement** Exclusion and the **Collapse** Exclusion do not apply.

**F.** With respect to a claim for alleged Sinkhole Loss, the following provision is added:

Following receipt by us of a report from a professional engineer or professional geologist on the cause of loss and recommendations for land stabilization and repair of property, or if we deny your claim, we will notify you of your right to participate in a neutral evaluation program administered by the Florida Department of Financial Services (hereinafter referred to as the Department). For alleged Sinkhole Loss to commercial residential or farm residential properties, this program applies instead of any mediation procedure set forth elsewhere in this policy, but does not invalidate the Appraisal Condition.

You or we may file a request with the Department for neutral evaluation; the other party must comply with such request. We will pay reasonable costs associated with the neutral evaluation, regardless of which party makes the request. But if a party chooses to hire a court reporter or stenographer to contemporaneously record and document the neutral evaluation, that party must bear the costs of those services. The neutral evaluator will be selected from a list maintained by the Department. The recommendation of the neutral evaluator will not be binding on you or us.

Participation in the neutral evaluation program does not change your right to file suit against us in accordance with the Legal Action Against Us Condition in this policy, except that the time for filing suit is extended for a period of 60 days following the conclusion of the neutral evaluation process or five years, whichever is later.

**G.** Coverage for Sinkhole Loss under this endorsement does not increase the applicable Limit of Insurance. Even if loss or damage qualifies under, or includes, both Catastrophic Ground Cover Collapse (addressed elsewhere in this Coverage Part) and Sinkhole Loss, only one Limit of Insurance will apply to such loss or damage.

**H.** The following provision is added to the **Duties In The Event Of Loss Or Damage** Loss Condition:

A claim for Sinkhole Loss, including but not limited to initial, supplemental and reopened claims is barred unless notice of claim is provided to us in accordance with the terms of this policy within two years after you knew or reasonably should have known about the Sinkhole Loss.

**I.** The following definitions are added with respect to the coverage provided under this endorsement:

1. "Structural damage" means a covered building, regardless of the date of its construction, has experienced the following:
  - a. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;

- b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the "primary structural members" or "primary structural systems" and that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those "primary structural members" or "primary structural systems" exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
  - c. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical "primary structural members" to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
  - d. Damage that results in the building, or any portion of the building containing "primary structural members" or "primary structural systems", being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
  - e. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.
2. "Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.
  3. "Primary structural system" means an assemblage of "primary structural members".
- J. If we deny your claim for Sinkhole Loss without performing testing under section 627.7072, Florida Statutes, you may demand testing by communicating such demand to us in writing within 60 days after you receive our denial of the claim. You are responsible for 50% of the testing costs, or \$2,500, whichever is less. If our professional engineer or geologist provides written certification, pursuant to section 627.7073, that there is sinkhole loss, we will reimburse you for the testing costs.
  - K. You may not accept a rebate from any person performing repairs for Sinkhole Loss covered under this endorsement. If you receive a rebate, coverage under this endorsement is void and you must refund the amount of the rebate to us.
  - L. If we deny your claim for Sinkhole Loss upon receipt of written certification from a professional engineer or geologist, pursuant to section 627.7073, that there is no sinkhole loss or that the cause of the damage was not sinkhole activity, and if the sinkhole claim was submitted without good faith grounds for submitting such claim, you shall reimburse us for 50% of the actual costs of the analyses and services provided under sections 627.7072 and 627.7073, or \$2,500, whichever is less. You are not required to pay such reimbursement unless you requested the analysis and services and we, before ordering the analysis, informed you in writing of the potential for reimbursement and gave you the opportunity to withdraw the claim.
  - M. As a precondition to accepting payment for sinkhole loss, you must file with the county clerk of court, a copy of any sinkhole report regarding your property which was prepared on behalf or at your request. You will bear the cost of filing and recording the sinkhole report.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PROTECTIVE SAFEGUARDS**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART

**SCHEDULE\***

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Protective Safeguards Symbols Applicable</b>
10150 Highland Manor Dr  Tampa, FL 336109713		P-1
Describe any "P-9":		

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

- A. The following is added to the:
  - Commercial Property Conditions
  - General Conditions in the Farm Property
  - Other Farm Provisions Form - Additional Coverages, Conditions Definitions
  - General Conditions in the Mobile Agricultural Machinery and Equipment Coverage Form
  - General Conditions in the Livestock Coverage Form
- 2. The protective safeguards to which this endorsement applies are identified by the following symbols:
  - "P-1" Automatic Sprinkler System,** including related supervisory services.
  - Automatic Sprinkler System means:
    - a. Any automatic fire protective or extinguishing system, including connected:
      - (1) Sprinklers and discharge nozzles;
      - (2) Ducts, pipes, valves and fittings;
      - (3) Tanks, their component parts and supports; and

**PROTECTIVE SAFEGUARDS**

- 1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.

- (4) Pumps and private fire protection mains.
- b. When supplied from an automatic fire protective system:
  - (1) Non-automatic fire protective systems; and
  - (2) Hydrants, standpipes and outlets.
- "P-2" **Automatic Fire Alarm**, protecting the entire building, that is:
  - a. Connected to a central station; or
  - b. Reporting to a public or private fire alarm station.
- "P-3" **Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.
- "P-4" **Service Contract** with a privately owned fire department providing fire protection service to the described premises.
- "P-9" The protective system described in the Schedule.

- B. The following is added to the EXCLUSIONS section of:
  - CAUSES OF LOSS - BASIC FORM
  - CAUSES OF LOSS - BROAD FORM
  - CAUSES OF LOSS - SPECIAL FORM
  - MORTGAGE HOLDERS ERRORS AND OMISSIONS COVERAGE FORM
  - STANDARD PROPERTY POLICY
  - CAUSES OF LOSS FORM - FARM PROPERTY
  - MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
  - LIVESTOCK COVERAGE FORM
- We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:
  - 1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
  - 2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.
- If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PROTECTIVE SAFEGUARDS**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART

**SCHEDULE\***

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Protective Safeguards Symbols Applicable</b>
13418 Boyette Rd  Riverview, FL 335695706		P-1
Describe any "P-9":		

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

- A. The following is added to the:
  - Commercial Property Conditions
  - General Conditions in the Farm Property
  - Other Farm Provisions Form - Additional Coverages, Conditions Definitions
  - General Conditions in the Mobile Agricultural Machinery and Equipment Coverage Form
  - General Conditions in the Livestock Coverage Form

- 2. The protective safeguards to which this endorsement applies are identified by the following symbols:

**"P-1" Automatic Sprinkler System,** including related supervisory services.

Automatic Sprinkler System means:

- a. Any automatic fire protective or extinguishing system, including connected:
  - (1) Sprinklers and discharge nozzles;
  - (2) Ducts, pipes, valves and fittings;
  - (3) Tanks, their component parts and supports; and

**PROTECTIVE SAFEGUARDS**

- 1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.

- (4) Pumps and private fire protection mains.
- b. When supplied from an automatic fire protective system:
  - (1) Non-automatic fire protective systems; and
  - (2) Hydrants, standpipes and outlets.
- "P-2" **Automatic Fire Alarm**, protecting the entire building, that is:
  - a. Connected to a central station; or
  - b. Reporting to a public or private fire alarm station.
- "P-3" **Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.
- "P-4" **Service Contract** with a privately owned fire department providing fire protection service to the described premises.
- "P-9" The protective system described in the Schedule.

- B. The following is added to the EXCLUSIONS section of:
  - CAUSES OF LOSS - BASIC FORM
  - CAUSES OF LOSS - BROAD FORM
  - CAUSES OF LOSS - SPECIAL FORM
  - MORTGAGE HOLDERS ERRORS AND OMISSIONS COVERAGE FORM
  - STANDARD PROPERTY POLICY
  - CAUSES OF LOSS FORM - FARM PROPERTY
  - MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
  - LIVESTOCK COVERAGE FORM
- We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:
  - 1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
  - 2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.
- If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 STANDARD PROPERTY POLICY

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

1. The failure, malfunction or inadequacy of:
  - a. Any of the following, whether belonging to any insured or to others:
    - (1) Computer hardware, including microprocessors;
    - (2) Computer application software;
    - (3) Computer operating systems and related software;
    - (4) Computer networks;
    - (5) Microprocessors (computer chips) not part of any computer system; or
    - (6) Any other computerized or electronic equipment or components; or
  - b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

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

2. Any device, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.

**B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:

1. In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
2. Under the Commercial Property Coverage Part:
  - a. In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or
  - b. In a Covered Cause of Loss under the Causes of Loss - Basic Form or the Causes of Loss - Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.

**C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 STANDARD PROPERTY POLICY

**A. Cap On Certified Terrorism Losses**

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

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

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

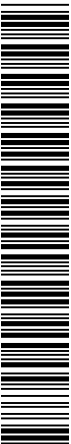
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
- PASTORAL PROFESSIONAL LIABILITY COVERAGE PART
- PRINTERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART
- PROFESSIONAL LIABILITY COVERAGE PART

**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 a 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 any injury, damage, damages, claims, suits, wrongful acts, losses or employment practices that are otherwise excluded under this Coverage Part.



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART  
PASTORAL PROFESSIONAL LIABILITY COVERAGE PART  
PRINTERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART

**A.** The following exclusion is added:

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

**B.** The following definition is added:

"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.

**C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any injury, damage, damages, claims, suits, wrongful acts, losses or employment practices that are otherwise excluded under this Coverage Part.

## AMENDATORY ENDORSEMENT FLORIDA

1. Under Loss Payment, Your Losses is amended to include the following:

If "we" have agreed in writing to the settlement of a claim, "we" will pay for that loss within 20 days after such settlement is reached.

2. Under Other Conditions, Misrepresentation, Concealment, Or Fraud is deleted and replaced by the following:

**Misrepresentation, Concealment, Or Fraud** -- This coverage may be voided if, before or after a loss:

- a. an insured has willfully concealed or misrepresented:

- 1) any material fact or circumstance concerning this insurance; or
- 2) an insured's interest herein if material.

This means "we" would not have issued the policy at the premium charged if "we" had known the facts "you" concealed or misrepresented.

- b. there has been fraud or false swearing by an insured with respect to this insurance or the subject thereof.

3. In all coverage forms except Cold Storage Locker Coverage, Contingent Cargo Coverage, Motor Truck Cargo Legal Liability Coverage, Riggers' Legal Liability Coverage, and Warehouse Legal Liability Coverage, under Other Conditions, paragraph b. of Suit Against Us is deleted and replaced by the following:

- b. the suit has been brought within five years after "you" first have knowledge of the loss.

## CONTRACTORS' EQUIPMENT COVERAGE

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### AGREEMENT

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In return for "your" payment of the required premium, "we" provide the coverage described here-in subject to all the "terms" of the Contractors' Equipment Coverage. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

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### DEFINITIONS

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1. The words "you" and "your" mean the persons or organizations named as the insured on the declarations.
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Contractors' equipment" means machinery, equipment, and tools of a mobile nature that "you" use in "your" contracting, installation, erection, repair, or moving operations or projects.

"Contractors' equipment" also means:

- a. self-propelled vehicles designed and used primarily to carry mounted equipment; or

- b. vehicles designed for highway use that are unlicensed and not operated on public roads.

4. "Equipment schedule" means a schedule of "contractors' equipment" that is attached to this policy and that describes each piece of covered equipment.
5. "Jobsite" means any location, project, or work site where "you" are in the process of construction, installation, erection, repair, or moving.
6. "Limit" means the amount of coverage that applies.
7. "Pollutant" means:
  - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
  - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
8. "Schedule of coverages" means:
  - a. all pages labeled schedule of coverages or schedules which pertain to this coverage; and
  - b. declarations or supplemental declarations which pertain to this coverage.
9. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.

10. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

11. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.

12. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

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

2) "contractors' equipment" of others in "your" care, custody, or control.

b. **Coverage Limitation** -- "We" only cover "your" "contractors' equipment" and "contractors' equipment" of others:

- 1) that are described on the "equipment schedule"; and
- 2) when Scheduled Equipment is indicated on the "schedule of coverages".

2. **Schedule On File** --

a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:

- 1) "your" "contractors' equipment"; and
- 2) "contractors' equipment" of others in "your" care, custody, or control.

b. **Coverage Limitation** -- "We" only cover "your" "contractors' equipment" and "contractors' equipment" of others:

- 1) that are listed in a schedule which "you" must submit to "us" and "we" keep on file, the schedule must contain a description of each item to be covered and a "limit" for each item; and
- 2) when Schedule on File is indicated on the "schedule of coverages".

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**PROPERTY COVERED**

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"We" cover the following property unless the property is excluded or subject to limitations.

1. **Scheduled Equipment** --

a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:

- 1) "your" "contractors' equipment"; and

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**PROPERTY NOT COVERED**

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1. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft.

2. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.

3. **Leased Or Rented Property** -- "We" do not cover property that "you" lease or rent to others.

4. **Loaned Property** -- "We" do not cover property that "you" loan to others.
5. **Underground Mining Operations** -- "We" do not cover property while stored or operated underground in connection with any mining operations.
6. **Vehicles** -- "We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed for highway use and used for over the road transportation of people or cargo. However, this does not include:
  - a. self-propelled vehicles designed and used primarily to carry mounted equipment; or
  - b. vehicles designed for highway use that are unlicensed and not operated on public roads.
7. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

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## COVERAGE EXTENSIONS

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**Provisions That Apply To Coverage Extensions** -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage including a Coverage Extension or Supplemental Coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following coverage extensions are not subject to and not considered in applying coinsurance conditions.

### Debris Removal --

1. **Coverage** -- "We" pay the cost to remove the debris of covered property that is caused by a covered peril.
2. **We Do Not Cover** -- This coverage does not include costs to:
  - a. extract "pollutants" from land or water; or
  - b. remove, restore, or replace polluted land or water.
3. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.
4. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.
5. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

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## SUPPLEMENTAL COVERAGES

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**Provisions That Apply To Supplemental Coverages** -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension including a Supplemental Coverage or Coverage Extension that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following supplemental coverages are not subject to and not considered in applying coinsurance conditions.

### 1. Employee Tools --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to tools owned by "your" employees.
- b. **Coverage Limitation** -- "We" only cover tools owned by "your" employees while at a:
  - 1) premises that "you" own or operate; or
  - 2) "jobsite".
- c. **Limit** -- The most "we" pay in any one occurrence for loss to employee tools is \$5,000.

### 2. Equipment Leased Or Rented From Others --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to "contractors' equipment" that "you" have leased or rented from others.
- b. **Limit** -- The most "we" pay in any one occurrence for equipment leased or rented from others is \$25,000.

### 3. Newly Purchased Property --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to additional "contractors' equipment" that "you" purchase during the policy period.
- b. **Limit** -- The most that "we" pay for any loss under this supplemental coverage is the least of the:
  - 1) actual cash value of the covered property; or
  - 2) "limit" for newly purchased property indicated on the "schedule of coverages". If no "limit" is indicated, then 30% of the Catastrophe Limit indicated on the "schedule of coverages" applies to this coverage.

- c. **Time Limitation** -- "We" extend coverage to the additional "contractors' equipment" that "you" purchase for up to 60 days.

This supplemental coverage will end when any of the following first occur:

- 1) this policy expires;
- 2) 60 days after "you" obtain the additional "contractors' equipment"; or
- 3) "you" report the additional "contractors' equipment" to "us".

- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" purchase the additional "contractors' equipment".

**4. Pollutant Cleanup And Removal --**

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.

- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.

- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.

- d. **Limit** -- The most "we" pay for each location is \$25,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

**5. Rental Reimbursement --**

- a. **Coverage** -- In the event of a direct physical loss by a covered peril to "your" "contractors' equipment", "we" reimburse "you" for "your" expense to rent similar equipment while "your" equipment is inoperable.

The deductible amount indicated on the "schedule of coverages" does not apply to a loss covered under this supplemental coverage.

- b. **Waiting Period** -- "We" will not reimburse "you" for the rental of equipment until after the first 72-hours (unless otherwise indicated on the "schedule of coverages") following the direct physical loss to "your" "contractors' equipment" caused by a covered peril.

- c. **Incurred Rental Expenses** -- After the waiting period has passed, "we" will only reimburse "you" for the rental expenses that "you" actually incur.

- d. **Coverage After Expiration Date** -- "We" will continue to reimburse "you" for the rental of equipment after the expiration date of this coverage, provided the loss occurred before the expiration date.

- e. **Coverage Limitations** -- "We" will not reimburse "you":

- 1) if "you" can continue or resume "your" operations with similar equipment that is available to "you" at no additional expense to "you"; or
- 2) for the rental expense of any equipment unless "you" make every reasonable effort to repair, replace, or rebuild the inoperable equipment after the loss by a covered peril occurs.

- f. **Limit** -- The most "we" reimburse "you" in any one occurrence for rental expenses is \$5,000.



**6. Spare Parts And Fuel --**

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
  - 1) spare parts and accessories for "contractors' equipment"; and
  - 2) fluids for vehicles and "contractors' equipment"; fluids include gasoline, oil, and hydraulic fluid.
- b. **Limit** -- The most "we" pay in any one occurrence for loss to spare parts and accessories is \$5,000.

**PERILS COVERED**

"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

**PERILS EXCLUDED**

- 1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.
  - a. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.
 

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- c. **War And Military Action** -- "We" do not pay for loss caused by:

- 1) war, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

- 2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

- a. **Contamination or Deterioration** -- "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.

But if contamination or deterioration results in a covered peril, "we" do cover the loss or damage caused by that covered peril.



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**b. Criminal, Fraudulent, Dishonest Or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:

- 1) "you";
- 2) others who have an interest in the property;
- 3) others to whom "you" entrust the property;
- 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
- 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

**c. Loss Of Use** -- "We" do not pay for loss caused by or resulting from loss of use, delay, or loss of market.

**d. Mechanical Breakdown** -- "We" do not pay for loss caused by any mechanical, structural, or electrical breakdown or malfunction including a breakdown or malfunction resulting from a structural, mechanical, or reconditioning process.

But if a mechanical, structural, or electrical breakdown or malfunction results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

**e. Missing Property** -- "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.

**f. Pollutants** -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":

- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
- 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

**g. Temperature/Humidity** -- "We" do not pay for loss caused by dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

**h. Voluntary Parting** -- "We" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- i. **Wear And Tear** -- "We" do not pay for loss caused by wear and tear, marring, or scratching.

But if wear and tear, marring, or scratching results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

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## WHAT MUST BE DONE IN CASE OF LOSS

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1. **Notice** -- In case of a loss, "you" must:
  - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
  - b. give notice to the police when the act that causes the loss is a crime.
2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.
  - a. **Payment of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
  - b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against.
3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
  - a. the time, place, and circumstances of the loss;
  - b. other policies of insurance that may cover the loss;
  - c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
  - d. changes in title of the covered property during the policy period; and
  - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

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## VALUATION

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1. **Actual Cash Value** -- The value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation) unless replacement cost is indicated on the "schedule of coverages".
2. **Replacement Cost** -- The value of covered property will be based on the replacement cost without any deduction for depreciation unless Actual Cash Value is indicated on the "schedule of coverages".
  - a. **Replacement Cost Limitation** -- The replacement cost is limited to the cost of repair or replacement with similar materials and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.
  - b. **Replacement Cost Does Not Apply Until Repair Or Replacement** -- Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
  - c. **Time Limitation** -- "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.
3. **Pair Or Set** -- The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
4. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

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## HOW MUCH WE PAY

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1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
2. **Flat Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence unless Percentage Deductible is indicated on the "schedule of coverages".
3. **Percentage Deductible** -- When a percentage deductible is indicated on the "schedule of coverages", "we" pay only that part of "your" loss over the deductible amount as determined below.
  - a. **Determining The Deductible Amount** -- The deductible amount is determined by applying the percentage indicated on the "schedule of coverages" to the value of the covered property that is involved in the loss. The value is determined by the provisions described under the Valuation section of this policy.
  - b. **Two Or More Items** -- If a loss involves two or more pieces of equipment, the percentage indicated on the "schedule of coverages" will apply only to the covered property with the highest value.
  - c. **Minimum and Maximum Deductible** -- The percentage deductible will not exceed the Maximum Deductible amount and will not be less than the Minimum Deductible amount indicated on the "schedule of coverages".
4. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 3., 5., 6., and 7. under How Much We Pay, "we" pay the lesser of:
  - a. the amount determined under Valuation;

- b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
- c. the "limit" that applies to the covered property. However, the most "we" pay for loss in any one occurrence is the Catastrophe Limit indicated on the "schedule of coverages".

**5. Coinsurance --**

- a. **When Coinsurance Applies** -- "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
- b. **How We Determine Our Part Of The Loss** -- "Our" part of the loss is determined using the following steps:
  - 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
  - 2) divide the "limit" for covered property by the result determined in **b.1)** above;
  - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in **b.2)** above.

The most "we" pay is the amount determined in **b.3)** above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

- c. **If There Is More Than One Limit** -- If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
- d. **If There Is Only One Limit** -- If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.

- e. **When Coinsurance Does Not Apply** -- Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

**6. Insurance Under More Than One Coverage** -- If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

**7. Insurance Under More Than One Policy --**

- a. **Proportional Share** -- "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
- b. **Excess Amount** -- If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

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**LOSS PAYMENT**

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**1. Loss Payment Options --**

- a. **Our Options** -- In the event of loss covered by this coverage form, "we" have the following options:
  - 1) pay the value of the lost or damaged property;
  - 2) pay the cost of repairing or replacing the lost or damaged property;

- 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
  - 4) take all or any part of the property at the agreed or appraised value.
- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.
2. **Your Losses** --
- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
- b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
- 1) a satisfactory proof of loss is received, and
  - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".
3. **Property Of Others** --
- a. **Adjustment And Payment of Loss To Property of Others** -- Losses to property of others may be adjusted with and paid to:
- 1) "you" on behalf of the owner; or
  - 2) the owner.
- b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

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## REPORTING CONDITIONS

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**Equipment Leased Or Rented From Others** -- If indicated on the "schedule of coverages", the following reporting conditions apply.

1. **Reports** --
  - a. **You Will Report To Us** -- Within 30 days after the end of the policy period, "you" will report to "us" the total amount of "your" expenditures for "contractors' equipment" that "you" lease or rent from others.
  - b. **Cancellation** -- If this policy is canceled, "you" will report the total amount of expenditures up to and including the date of cancellation.
2. **Premium Computation And Adjustment** --
  - a. The premium will be adjusted at the end of the policy period. The total computed premium will be determined by multiplying "your" total equipment expenditures by the reporting rate indicated on the "schedule of coverages" for Equipment Leased or Rented From Others.
  - b. "We" will compare the total computed premium to the deposit premium. If it is more than the deposit premium, "you" will pay "us" the difference. If it is less than the deposit premium, "we" will pay "you" the difference subject to the minimum premium indicated on the "schedule of coverages".
3. **Provisions That Affect How Much We Pay** -- The following provisions apply to reports that are submitted and may affect How Much We Pay:
  - a. **Failure To Submit Reports** -- If "you" have failed to submit the required reports or no report has been submitted, the most "we" will pay is 90% of the "limit".

- b. Reported Values Are Less Than The Full Value** -- If "your" last report before a loss shows less than the actual value of "your" expenditures for "contractors' equipment" that "you" lease or rent from others, "we" will only pay a part of the loss. "We" will not pay a greater portion of the loss, prior to the application of the deductible, than the total expenditures "you" reported divided by "your" actual expenditures for "contractors' equipment" that "you" lease or rent from others during the reporting period.
- c. We Will Not Pay More Than The Limit** -- "We" will not pay more than the applicable "limit" regardless of any reported value used in computing the premium.

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## OTHER CONDITIONS

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- 1. Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

- 2. Benefit to Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.
- 3. Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
- 4. Estates** -- This provision applies only if the insured is an individual.
- a. Your Death** -- On "your" death, "we" cover the following as an insured:
- 1)** the person who has custody of "your" property until a legal representative is qualified and appointed; or
  - 2)** "your" legal representative.
- This person or organization is an insured only with respect to property covered by this coverage.
- b. Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.

**5. Misrepresentation, Concealment, Or Fraud --**  
This coverage is void as to "you" and any other insured if, before or after a loss:

- a. "you" or any other insured have willfully concealed or misrepresented:
  - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
  - 2) "your" interest herein.
- b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.

**6. Policy Period --** "We" pay for a covered loss that occurs during the policy period.

**7. Recoveries --** If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:

- a. "you" must notify "us" promptly if "you" recover property or receive payment;
- b. "we" must notify "you" promptly if "we" recover property or receive payment;
- c. any recovery expenses incurred by either are reimbursed first;
- d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid or any lesser amount to which "we" agree; and
- e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.

**8. Restoration Of Limits --** A loss "we" pay under this coverage does not reduce the applicable "limit" unless it is a total loss to a scheduled item. In the event of a total loss to a scheduled item, "we" refund the unearned premium on that item.

**9. Subrogation --** If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.

**10. Suit Against Us --** No one may bring a legal action against "us" under this coverage unless:

- a. all of the "terms" of this coverage have been complied with; and
- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

**11. Territorial Limits --** "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.



## LOSS PAYABLE OPTIONS

If indicated on the Loss Payable Schedule, the following conditions apply to the property described on the schedule. The following conditions apply in addition to the policy "terms" which are contained in the Difference In Conditions Coverage(s).

### LOSS PAYABLE

Any loss will be adjusted with "you" and will be payable to "you" and the loss payee described on the schedule as "your" and their interests appear.

### LENDER'S LOSS PAYABLE

Any loss will be payable to "you" and the loss payee described on the schedule as interests appear. If more than one loss payee is named, they will be paid in order of precedence.

The insurance for the loss payee continues in effect even when "your" insurance may be void because of "your" acts, neglect, or failure to comply with the coverage "terms". The insurance for the loss payee does not continue in effect if the loss payee is aware of changes in ownership or substantial increase in risk and does not notify "us".

If "we" cancel this policy, "we" notify the loss payee at least ten days before the effective date of cancellation if "we" cancel for "your" nonpayment of premium, or 30 days before the effective date of cancellation if "we" cancel for any other reason.

"We" may request payment of the premium from the loss payee, if "you" fail to pay the premium.

If "we" pay the loss payee for a loss where "your" insurance may be void, the loss payee's right to collect that portion of the debt from "you" then belongs to "us". This does not affect the loss payee's right to collect the remainder of the debt from "you". As an alternative, "we" may pay the loss payee the remaining principal and accrued interest in return for a full assignment of the loss payee's interest and any instruments given as security for the debt.

If "we" choose not to renew this policy, "we" give written notice to the loss payee at least ten days before the expiration date of this policy.

### CONTRACT OF SALE

Any loss will be adjusted with "you" and will be payable to "you" and the loss payee described on the schedule as "your" and their interests appear.

The loss payee shown on the schedule is a person or organization "you" have entered into a contract with for the sale of covered property.

When covered property is the subject of a contract of sale, the word "you" also means the loss payee.



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## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- Loss Payable  
 Lender's Loss Payable  
 Contract of Sale
- 

### SCHEDULE

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Location Number

1

Address

10150 Highland Manor Dr

Tampa

FL

336109713

Covered Property

Misc Equipment @ \$38,465

Name and Address of Loss Payee

CREST VENDOR FINANCE

5480 CORPORATE DR

TROY

MI

48098

## IMPORTANT NOTICE NOTICE TO POLICYHOLDERS

This explanation is not a part of your insurance policy, and it does not alter any of its provisions or conditions. No coverage is provided by this notice nor can it be construed to replace any provision in your policy or policies with us, or any forms attached to your policy or policies.

The following information only gives a general explanation which may have occurred from your prior (or old) policy. Read your policy carefully to determine rights, duties, and what is and is not covered. Only the provisions of your policy determine the scope of your insurance protection.

This notice has been prepared to provide you with information since one of the forms listed below maybe attached to your policy.

### Fully Earned and Minimum Premium Endorsements\*

- CG 04 37 - Electronic Data Liability**
- CG 20 03 - Additional Insured - Concessionaires Trading Under Your Name**
- CG 20 10 - Additional Insured - Owners, Lessees Or Contractors - Scheduled Person Or Organization**
- CG 89 79 - Additional Insured - Owners, Lessees Or Contractors - Completed Operations - Scheduled Person Or Organization - Arising Out Of Your Ongoing Operations**
- CG 90 47 - Additional Insured - Owners, Lessees or Contractors - Scheduled Person Or Organization - Caused In Whole Or In Part**
- CG 90 43 - Additional Insured - Owners, Lessees Or Organizations - Scheduled Person Or Organization - Including Primary/Non-Contributory And Waiver Of Subrogation**
- CG 90 44 - Additional Insured - Owners, Lessees Or Contractors - Completed - Operations - Including Primary And Non Contributory And Waiver Of Subrogation**
- CG 20 11 - Additional Insured - Managers Or Lessors Of Premises**
- CG 20 15 - Additional Insured - Vendors**
- CG 20 26 - Additional Insured - Designated Person Or Organization**
- CG 20 28 - Additional Insured - Lessor Of Leased Equipment**
- CG 20 29 - Additional Insured - Grantor Of Franchise**
- CG 20 32 - Additional Insured - Engineers, Architects Or Surveyors Not Engaged By The Named Insured**
- CG 20 34 - Additional Insured - Lessor Of Leased Equipment - Automatic Status When Required In Lease Agreement With You**
- CG 20 37 - Additional Insured - Owners, Lessees Or Contractors - Completed Operations**
- CG 89 80 - Additional Insured - Owners, Lessees Or Contractors - Completed Operations - Arising Out Of Your Work**
- CG 84 56 - Additional Insured - Boat Shows**
- CG 85 83 - Blanket Additional Insured Contractors - Products - Completed Operations**
- CG 85 84 - Additional Insured Contractors Products - Completed Operations**
- CG 86 11 - Additional Insured Automatic Status When Required In Construction Agreement With You - Contractors - Completed Operations**
- CG 89 95 - Additional Insured - Automatic Status When Required In Construction Agreement With You - Products/Completed Operations**
- CG 88 83 - Amendment of Other Insurance Condition - Designated Persons or Organizations**
- CG 89 98 - Amendment of Other Insurance Condition**

One of the above endorsement(s) may be attached to your policy. With the attachment of the endorsement a premium charge has been made along with a fully earned or minimum premium amount which will be retained if the policy is cancelled or issued for less than a one year period.

Please refer any questions you may have to your insurance agent.

\* Not applicable in Ohio.



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Persons with disabilities who need accommodations to make this document accessible should contact the Hillsborough County ADA Officer [Carmen LoBue](#) by email at [lobuec@hcflgov.net](mailto:lobuec@hcflgov.net), or by phone at 813-276-8401; TTY: 7-1-1.

**EXECUTIVE ORDER OF THE HILLSBOROUGH COUNTY EMERGENCY POLICY  
GROUP SAFER-AT-HOME ORDER IN RESPONSE TO A COUNTY WIDE  
THREAT FROM THE COVID-19 VIRUS**

Upon motion by Commissioner Kimberly Overman, seconded by Tampa Mayor Jane Castor, the following Executive Order was adopted by a vote of 8 to 0; \_\_\_\_\_ voting NO:

**WHEREAS**, on March 1, 2020 the Governor of the State of Florida issued Executive Order Number 20-51, declaring that a public health emergency exists throughout the State of Florida as a result of the spread of the COVID-19 virus; and

**WHEREAS**, on March 9, 2020 the Governor of the State of Florida issued Executive Order Number 20-52, declaring that a state of emergency exists throughout the State of Florida as a result of the spread of the COVID-19 virus and its imminent threat to health and welfare of the citizens of Florida; and

**WHEREAS**, on March 12, 2020, the Hillsborough County Emergency Policy Group did convene and issue its Executive Order declaring a local state of emergency for all of Hillsborough County, which Order was extended by the Emergency Policy Group on March 19, 2020, and again on March 26, 2020; and

**WHEREAS**, on March 17, 2020 the Governor of the State of Florida issued Executive Order Number 20-68, placing restrictions on certain businesses and public gathering locations throughout the State of Florida as a result of the spread of the COVID-19 virus and its imminent threat to health and welfare of the citizens of Florida; and

**WHEREAS**, all three Executive Orders of the Governor remain in effect and are forecast to remain so for the foreseeable future; and

**WHEREAS**, the State of Florida and Hillsborough County are continuing to experience increased reports of illnesses and persons testing positive for the virus; and

**WHEREAS**, on March 20, 2020, Administrator Order Number 20-05 entitled Hillsborough County Administrator Order Updating COVID-19 Limitations for Establishments and Gatherings was issued and remains effective, incorporating by reference the Governor's Executive Orders 20-68 and 20-71, specifies all public or private gatherings, including community, civic, public leisure, faith-based events, sporting events, concerts and any similar events that bring together more than 10 people in a single room, single space, or any venue, at the same time are prohibited. This prohibition does not include venues that provide essential goods or services such as grocery stores, hospitals, medical facilities, pharmacies, gas stations, bank/credit unions, shelters, and government agencies and their meetings; and

**WHEREAS**, Administrator Order Number 20-05 specifies any gathering of 10 or less people should have the capacity to provide individuals with a 6 foot distance between each

person.

**WHEREAS**, there has been no indication that the spread of COVID-19 is slowing in the State of Florida and Hillsborough County; and

**WHEREAS**, Hillsborough County must continue to take emergency action to lessen the spread of COVID-19; and

**WHEREAS**, there is reason to believe that COVID-19 is spread amongst the population by various means of exposure, including the propensity to spread person to person and the propensity to attach to surfaces for prolonged periods of time thereby creating a dangerous physical condition spreading from surface to person and causing increased infections to persons, and also creating property or business income loss and damage in certain circumstances; and

**WHEREAS**, this Executive Order is being issued because of the propensity of COVID-19 to spread from person to person causing widespread infection and loss of life, and also because COVID-19 is causing property damage and business income loss due to its proclivity to attach to surfaces for prolonged periods of time and thereby creating a dangerous physical condition; and

**WHEREAS**, as a governmental civil authority action, it is necessary to impose the regulations and restrictions set forth herein in response to the dangerous physical conditions that currently exists and to stop the COVID-19 virus from spreading; and

**WHEREAS**, Chapter 252, Florida Statutes, and Hillsborough County Ordinance 06-13 (Hillsborough County Code of Laws and Ordinances, part A, Chapter 22, Article II, Sections 22-19 Through 22-30), authorizes Hillsborough County to declare a state of local emergency; and

**WHEREAS**, Chapter 22, Article I, Sections 22-22, Hillsborough County Code of Ordinances and Laws (Hillsborough County Emergency Management Ordinance), and the Hillsborough County Comprehensive Emergency Management Plan delegates authority to declare a state of local emergency to the Hillsborough County Emergency Policy Group; and

**WHEREAS**, Section 252.38, Florida Statutes, authorizes Hillsborough County to declare a state of local emergency, and further authorizes Hillsborough County to take whatever prudent action is necessary to ensure the health, safety, and welfare of the community; and

**WHEREAS**, the Hillsborough County Emergency Policy Group wants to take effective and reasonable steps to protect the health of residents and the community; and

**WHEREAS**, the Hillsborough County Emergency Policy Group does not want to create long-term irreparable economic harm to our residents, businesses, and to the local and regional economy; and

**WHEREAS**, the Hillsborough County Emergency Policy Group recognizes unified action is paramount to ensure the most effective results and cause the least confusion and panic in the community; and

**WHEREAS**, the Hillsborough County Emergency Policy Group recognizes the categories and types of essential businesses and services that must remain open; and

**WHEREAS**, the Hillsborough County Emergency Policy Group wants the types of businesses that by definition cannot continue to remain open because they are unable to maintain the required physical distancing to keep customers safe to close; and

**WHEREAS**, the Hillsborough County Emergency Policy Group wants a measured, reasonable and unified direction for the entire county by the EPG as the elected representatives of residents; and

**WHEREAS**, the Hillsborough County Emergency Policy Group wants personal responsibility by businesses and residents to observe the mandatory behaviors that have been proven to mitigate the spread of the virus; and

**WHEREAS**, the Hillsborough County Emergency Policy Group has determined that a Safer-At-Home Order applicable throughout Hillsborough County is a reasonable and prudent action to take in order to ensure the health, safety, and welfare of the residents of Hillsborough County; and

**WHEREAS**, a Safer-At-Home Order of the Hillsborough County Emergency Policy Group is an Order that:

- Is less restrictive than total lockdowns or shelter-in-place regulations which prohibit movement outside of the home or a particular location until further notice;
- Encourages citizens to stay at home as much as possible during the continued COVID-19 crisis and allows travel outside the home to essential activities (e.g. grocery shopping, outdoor activities, doctor's and pharmacy visits, and providing essential infrastructure and utility services);
- Allows non-essential activities, so long as social distancing and other CDC Public Health Mitigation Strategies requirements are followed;
- Applies to all of the unincorporated and incorporated areas of Hillsborough County

**NOW THEREFORE, BE IT RESOLVED BY THE EMERGENCY POLICY GROUP OF HILLSBOROUGH COUNTY, FLORIDA, IN A MEETING ASSEMBLED THIS 26<sup>th</sup> DAY OF MARCH, 2020 THAT:**

1. A Safer-At-Home Order is hereby established within all incorporated and unincorporated areas of Hillsborough County, effective as of 10:00 p.m. on March 27, 2020. Safer-At-Home means all residents are directed to stay at home as much as possible twenty-four hours a day, seven days a week, except in those circumstances outlined below. This Safer-At-Home Order shall continue on a daily basis until this order expires or is rescinded.



2. Residents are permitted the unlimited ability to get the necessary food, medicine and essentials. Residents are also permitted to recreate and enjoy the outdoors at any time as long as physical distancing is observed along with the other recommended sanitary requirements.

3. This Safer-At-Home Order shall not apply to the following essential individuals, businesses and services:

- a. Essential federal employees and military personnel who are acting within their employment responsibilities, and are already governed by directives of their respective federal agencies.
- b. State and local government employees providing services to carry on government functions during this state of emergency and persons attending government meetings.
- c. School district employees providing services to carry on school district functions during this state of emergency.
- d. Private colleges, trade schools, and technical colleges, but only as needed to facilitate online or distance learning, perform critical research, or perform essential functions, and university, college, or technical college residence halls, but only to the extent needed to accommodate students who cannot return to their homes.
- e. Medical and health related personnel while actively pursuing medical or health related activities. This includes personnel employed in the production of medical or health related products.
- f. Healthcare providers and public health operations (except to the extent precluded by the Governor's Executive Order 20-72 or any subsequent Executive Order), including but not limited to: hospitals; doctors' and dentists' offices; urgent care centers, clinics, and rehabilitation facilities; physical therapists; mental health professionals; psychiatrists; therapists; research and laboratory services; blood banks, medical cannabis facilities; medical equipment, devices, and other healthcare manufacturers and suppliers; reproductive health care providers; eye care centers; home healthcare services providers; substance abuse providers; medical transport services; and pharmacies
- g. Mass transit personnel while pursuing employment functions.
- h. Persons seeking medical treatment, persons transporting people seeking medical treatment, or caregivers traveling to assist another person with medical or caregiving needs.
- i. Fire/Rescue, Law Enforcement, or other First Responder personnel

pursuing, or traveling to or from work related activities.

- j. Individuals preparing or delivering food and drink items pursuant to County Administrator Order 20-05.
- k. Persons commuting directly to and from places of employment.
- l. This Order shall not prohibit a person from walking a companion animal in the vicinity of their residence so long as social distancing guidelines are observed. Animal care staff (including volunteers) traveling to provide support, obtain care and/or supplies for one's own companion animals or the companion animals of another, or in the course of fostering animals.
- m. Grocery stores, farmers' markets, farm and produce stands, supermarkets, food banks, convenience stores, and other establishments primarily engaged in the retail sale of canned food, dry goods, fresh fruits and vegetables, baby products, pet supply, liquor, fresh or frozen meats, fish, and poultry, and any other household consumer products (such as cleaning and personal care products). This includes stores that sell groceries and also sell other non-grocery products, and products necessary to maintaining the safety, sanitation, and essential operations of residences and other structures.
- n. Newspapers, television, radio, delivery and other media services.
- o. Gas stations, auto and recreational vehicle supply and repair, auto repair, new and used vehicle sales and related facilities.
- p. Businesses engaged in food cultivation, including farming, livestock, and fishing.
- q. Businesses that provide food, shelter, social services, and other necessities of life for economically disadvantaged or otherwise needy individuals.
- r. Hardware, gardening, and building material stores.
- s. Contractors, utility workers and other tradesmen, building management and maintenance (including janitorial companies serving commercial businesses), home security firms, fire and water damage restoration, public adjusters, appliance repair personnel, exterminators, pool and lawn care and golf course maintenance, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences and other structures.

- t. Businesses primarily providing mailing, logistics, pick-up, and shipping services, including post office boxes, logistic providers, including warehouses, trucking, consolidators, fumigators and handlers.
- u. Laundromats, dry cleaners, and laundry service providers.
- v. Businesses engaged in providing home-based care for seniors, adults, or children, assisted living facilities, nursing homes, adult day care centers, and home-based and residential settings for adults, seniors, children and/or people with disabilities or mental illness.
- w. Businesses engaged in the provision of office space and administrative support necessary to perform any of the above-listed activities.
- x. Businesses that primarily supply office products needed for people to work from home, but not including businesses that primarily sell or lease furniture.
- y. Hotels, motels, other commercial lodging establishments, and temporary vacation rentals.
- z. Veterinarians and pet boarding facilities.
- aa. Mortuaries, funeral homes, and cemeteries including funeral and cremation services.
- bb. Firearm and ammunition supply stores.
- cc. Any business that employs five (5) or fewer persons, including management / ownership, where the employees do not come in regular contact with the general public in the regular course of business.
- dd. Moving, storage and relocation services.
- ee. Private and municipal marinas and boat launches, docking, fueling, marine supply, and other marine services.
- ff. Individuals whose residences are unsafe or become unsafe, such as victims of domestic violence, are permitted and urged to leave their residence and stay at a safe alternative location. For purposes of this Order, residences include hotels, motels, shared rental units, shelters, and similar facilities.
- gg. Janitorial personnel.
- hh. Personnel supporting educational needs.

- ii. Religious personnel.
- jj. Any parent or guardian transporting a child or children pursuant to a custody sharing agreement or Order.
- kk. Airlines, taxis and other private transportation providers providing transportation services via, automobile, truck, boat, bus or train.
- ll. Childcare facilities providing services that enable employees exempted in this Order to work as permitted. To the extent possible, these childcare facilities should operate under the following conditions: Childcare must be carried out in stable groups of 10 or fewer (inclusive of childcare providers for the group); children and child care providers shall not change from one group to another; if more than one group of children is cared for at one facility, each group shall be in a separate room. Groups shall not mix or interact with each other. All play equipment used by one group of children must be cleaned and sanitized before use by another group of children. Any child exhibiting symptoms consistent with COVID-19 illness shall not be allowed to stay in the childcare facility.
- mm. Animal care staff (including volunteers) who own, operate, or work in the capacity of providing continued care of animals at rescue organizations, boarding facilities, veterinarians and similar businesses, whether or not housed in a shelter.
- nn. Attorneys and all personnel associated with supporting essential court proceedings including all federal, state, and county personnel.
- oo. Persons commuting directly to or from an exempted activity.
- pp. Personnel employed by an entity identified as one of the sixteen critical infrastructure sectors by the Cyber-Infrastructure Security Agency (CISA) of the U.S. Department of Homeland Security when pursuing work related functions, or traveling directly to or from work and their respective residents. The CISA essential infrastructure guide is attached to and made a part of this Order. See pages 5-11 of the CISA essential infrastructure guide for detailed descriptions of these critical infrastructure sectors.

4. Essential Infrastructure. For purposes of this Order, individuals may leave their residence to provide any services or perform any work necessary to offer, provision, operate, maintain and repair Essential Infrastructure. Essential Infrastructure includes, but is not limited to: food production, distribution, and sale; construction; building management and maintenance; airport operations; operation and maintenance of utilities, including water, sewer, and gas; electrical (including power generation, distribution, and production of raw materials); distribution centers; roads, highways, railroads, and public transportation; cybersecurity operations; flood control; solid waste and recycling collection and removal; and internet, video,

and telecommunications systems (including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, and web-based services). Essential Infrastructure shall be construed broadly to avoid any impacts to essential infrastructure, broadly defined.

5. Businesses which are not described above in paragraph 3, and are able to maintain the required physical distancing (6 feet) may operate.

6. Businesses which are not described above in paragraph 3 and which, by the nature of their business cannot remain open because they are unable to maintain the required physical distancing (6 feet) to keep employees and customers safe, must close.

7. Businesses providing essential services whose function and safety allow them to maintain the required physical distance (6 feet), and those businesses that are able to maintain the required physical distancing (6 feet) shall:

a. Insure employees are adhering to social distancing and other health care guidelines as established by the Florida Department of Health in regards to such categories as: Individuals and Families at Home; Schools, Charter Schools, Special Needs Schools and Childcare; Assisted Living Facilities, Senior Living Facilities and Adult Day Care Programs; Workplace; Community and Faith-Based Organizations; Health Care Settings and Health Care Provider – including outpatients, nursing homes/long-term care facilities, inpatients, and telehealth.

b. Continue using best practices, as set forth by the Centers for Disease Control (CDC) and the Occupational Safety and Health Act (OSHA), to reduce the risk of worker exposure to coronavirus or COVID-19 in workplaces and prevent widespread transmission in communities, including, but not limited to:

- i. Promoting frequent and thorough hand washing, including by providing a place to wash their hands or providing alcohol-based hand rubs containing at least 60% alcohol.
- ii. Maintaining regular housekeeping practices, including routine cleaning and disinfecting of surfaces, equipment, and other elements of the work environment, including providing trash receptacles, as needed.
- iii. Exploring creative and flexible policies and practices for flexible worksites and flexible work hours to increase the physical distance among employees and others in the workplace;
- iv. Promoting social distancing requirements (about 6 feet or 2 meters).
- v. Discouraging workers from using other workers' phones, desks, offices, or other work tools and equipment, when possible.
- vi. Taking employees' temperatures with a thermometer to try and ward off the spread of the coronavirus.
- vii. Encouraging employees to stay home if they are sick.

- viii. Encouraging respiratory etiquette, including covering coughs and sneezes.
  - ix. Considering requiring employees to complete a travel questionnaire to assess risks of contamination in the workplace.
- c. Direct workers to telecommute when that is feasible.
  - d. Use best efforts to provide employment opportunities to those who lose jobs because of this emergency by working directly with CareerSource and other designated employment and job agencies.

8. Individuals experiencing homelessness are exempt from this Order, but are strongly urged to obtain shelter, and governmental and other entities are strongly urged to make such shelter available as soon as possible and to the maximum extent practicable and to use in their operation COVID-19 risk mitigation practices recommended by the U.S. Centers for Disease Control and Prevention (CDC) and the Florida Department of Health.

9. Hotels, motels, other commercial lodging establishments, and temporary vacation rentals, subject to the limitations stated in the Governor's Executive Order 20-70. Hotels, motels, and other commercial lodging establishments shall give reservation priority to Essential Lodgers. "Essential Lodgers" are defined as: (a) healthcare professionals; (b) first responders; (c) National Guard members; (d) law enforcement; (e) local state and federal government employees; (f) airline crewmembers; (g) patients; (h) patients' families; (i) journalists; (j) others providing direct services in response to COVID-19; (k) displaced residents or visitors; (l) persons utilizing hotels as transitional living arrangements; (m) persons sheltering in hotels due to domestic violence; (n) hotel employees, service providers, and contractors; or (o) individuals who, for any reason, are temporarily unable to reside in their home due to exigent circumstances.

10. Local businesses that produce and provide essential necessities such as food, medicines, medical equipment and supplies will make best efforts to prioritize those goods for the use of Hillsborough County.


11. Local businesses that have the ability to do so shall alter their production and manufacturing in Order to provide products to meet the need in the County for critical testing, collection, protective gear and treatments.

12. Those with the financial means are encouraged to increase their financial support to local charities and organizations that provide direct social service and employment services to displaced workers.

13. This Order is an addendum to the Executive Order adopted by the Emergency Policy Group of Hillsborough County, Florida, in its special meeting of March 12, 2020, as extended on March 19, 2020, and March 26, 2020, and is incorporated into that Executive Order as it may be amended.

14. It is the intent of this Order to seek voluntary compliance with the provisions contained herein and to educate and warn of the dangers of non-compliance. However, in the event voluntary compliance is not achieved then in that event and as a last resort, a violation of this Order, pursuant to the provision of section 252.50, Florida Statutes, may be prosecuted as a second degree misdemeanor punishable as provided in section 775.082 or 775.083, F.S.

**EXECUTED** this 27<sup>th</sup> day of March, 2020.

  
\_\_\_\_\_  
Lesley "Les" Miller, Jr.  
Emergency Policy Group, Chair

I, **PAT FRANK**, Clerk of the Circuit Court and Ex Officio Clerk of the Board of the County Commissioners of Hillsborough County, Florida, do hereby certify that the above and foregoing Order has been filed with this office as an attachment to the Executive Order adopted by the Emergency Policy Group of Hillsborough County on March 12, 2020.

**WITNESS** my hand and official seal this 27<sup>th</sup> day of March, 2020.

PAT FRANK  
Clerk of Circuit Court



BY:   
\_\_\_\_\_  
Deputy Clerk

APPROVED BY THE COUNTY ATTORNEY

By:   
\_\_\_\_\_  
Approved as to Form and Legal Sufficiency

By: 



**CISA**  
CYBER+INFRASTRUCTURE

March 19, 2020

**MEMORANDUM ON IDENTIFICATION OF ESSENTIAL CRITICAL  
INFRASTRUCTURE WORKERS DURING COVID-19 RESPONSE**

FROM: Christopher C. Krebs  
Director

Cybersecurity and Infrastructure Security Agency (CISA)

A handwritten signature in black ink, appearing to read "Chris Krebs", written over the printed name.

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As the Nation comes together to slow the spread of COVID-19, on March 16<sup>th</sup>, the President issued updated Coronavirus Guidance for America. This guidance states that:

*“If you work in a critical infrastructure industry, as defined by the Department of Homeland Security, such as healthcare services and pharmaceutical and food supply, you have a special responsibility to maintain your normal work schedule.”*

The Cybersecurity and Infrastructure Security Agency (CISA) executes the Secretary of Homeland Security’s responsibilities as assigned under the Homeland Security Act of 2002 to provide strategic guidance, promote a national unity of effort, and coordinate the overall federal effort to ensure the security and resilience of the Nation’s critical infrastructure. CISA uses trusted partnerships with both the public and private sectors to deliver infrastructure resilience assistance and guidance to a broad range of partners.

In accordance with this mandate, and in collaboration with other federal agencies and the private sector, CISA developed an initial list of “Essential Critical Infrastructure Workers” to help State and local officials as they work to protect their communities, while ensuring continuity of functions critical to public health and safety, as well as economic and national security. The list can also inform critical infrastructure community decision-making to determine the sectors, sub-sectors, segments, or critical functions that should continue normal operations, appropriately modified to account for Centers for Disease Control (CDC) workforce and customer protection guidance.

The attached list identifies workers who conduct a range of operations and services that are essential to continued critical infrastructure viability, including staffing operations centers, maintaining and repairing critical infrastructure, operating call centers, working construction, and performing management functions, among others. The industries they support represent, but are not necessarily limited to, medical and healthcare, telecommunications, information technology systems, defense,



food and agriculture, transportation and logistics, energy, water and wastewater, law enforcement, and public works.

We recognize that State, local, tribal, and territorial governments are ultimately in charge of implementing and executing response activities in communities under their jurisdiction, while the Federal Government is in a supporting role. As State and local communities consider COVID-19-related restrictions, CISA is offering this list to assist prioritizing activities related to continuity of operations and incident response, including the appropriate movement of critical infrastructure workers within and between jurisdictions.

**Accordingly, this list is advisory in nature. It is not, nor should it be considered to be, a federal directive or standard in and of itself.**

In addition, these identified sectors and workers are not intended to be the authoritative or exhaustive list of critical infrastructure sectors and functions that should continue during the COVID-19 response. Instead, State and local officials should use their own judgment in using their authorities and issuing implementation directives and guidance. Similarly, critical infrastructure industry partners will use their own judgment, informed by this list, to ensure continued operations of critical infrastructure services and functions. All decisions should appropriately balance public safety while ensuring the continued delivery of critical infrastructure services and functions.

CISA will continue to work with you and our partners in the critical infrastructure community to update this list as the Nation's response to COVID-19 evolves. We also encourage you to submit how you might use this list so that we can develop a repository of use cases for broad sharing across the country.

Should you have questions about this list, please contact CISA at [CISA.CAT@cisa.dhs.gov](mailto:CISA.CAT@cisa.dhs.gov).

**Attachment:** "Guidance on the Essential Critical Infrastructure Workforce: Ensuring Community and National Resilience in COVID-19 Response"



## Guidance on the Essential Critical Infrastructure Workforce: Ensuring Community and National Resilience in COVID-19 Response

Version 1.0 (March 19, 2020)

### THE IMPORTANCE OF ESSENTIAL CRITICAL INFRASTRUCTURE WORKERS

Functioning critical infrastructure is imperative during the response to the COVID-19 emergency for both public health and safety as well as community well-being. Certain critical infrastructure industries have a special responsibility in these times to continue operations.

This guidance and accompanying list are intended to support State, Local, and industry partners in identifying the critical infrastructure sectors and the essential workers needed to maintain the services and functions Americans depend on daily and that need to be able to operate resiliently during the COVID-19 pandemic response.

This document gives guidance to State, local, tribal, and territorial jurisdictions and the private sector on defining essential critical infrastructure workers. Promoting the ability of such workers to continue to work during periods of community restriction, access management, social distancing, or closure orders/directives is crucial to community resilience and continuity of essential functions.

### CONSIDERATIONS FOR GOVERNMENT AND BUSINESS

This list was developed in consultation with federal agency partners, industry experts, and State and local officials, and is based on several key principles:

1. Response efforts to the COVID-19 pandemic are locally executed, State managed, and federally supported
2. Everyone should follow guidance from the CDC, as well as State and local government officials, regarding strategies to limit disease spread.
3. Workers should be encouraged to work remotely when possible and focus on core business activities. In-person, non-mandatory activities should be delayed until the resumption of normal operations.
4. When continuous remote work is not possible, businesses should enlist strategies to reduce the likelihood of spreading the disease. This includes, but is not necessarily limited to, separating staff by off-setting shift hours or days and/or social distancing. These steps can preserve the workforce and allow operations to continue.

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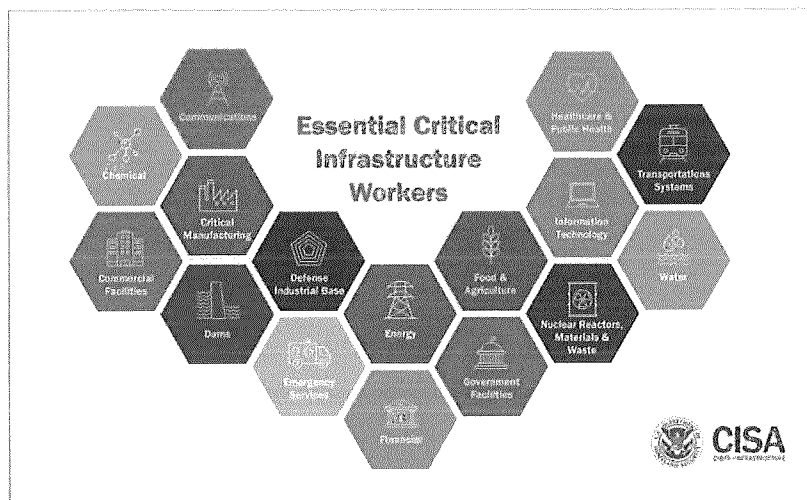


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5. All organizations should implement their business continuity and pandemic plans, or put plans in place if they do not exist. Delaying implementation is not advised and puts at risk the viability of the business and the health and safety of the employees.
6. In the modern economy, reliance on technology and just-in-time supply chains means that certain workers must be able to access certain sites, facilities, and assets to ensure continuity of functions.
7. Government employees, such as emergency managers, and the business community need to establish and maintain lines of communication.
8. When government and businesses engage in discussions about critical infrastructure workers, they need to consider the implications of business operations beyond the jurisdiction where the asset or facility is located. Businesses can have sizeable economic and societal impacts as well as supply chain dependencies that are geographically distributed.
9. Whenever possible, jurisdictions should align access and movement control policies related to critical infrastructure workers to lower the burden of workers crossing jurisdictional boundaries.

## IDENTIFYING ESSENTIAL CRITICAL INFRASTRUCTURE WORKERS

The following list of sectors and identified essential critical infrastructure workers are an initial recommended set and are intended to be overly inclusive reflecting the diversity of industries across the United States. CISA will continually solicit and accept feedback on the list (both sectors/sub sectors and identified essential workers) and will evolve the list in response to stakeholder feedback. We will also use our various stakeholder engagement mechanisms to work with partners on how they are using this list and share those lessons learned and best practices broadly. We ask that you share your feedback, both positive and negative on this list so we can provide the most useful guidance to our critical infrastructure partners. Feedback can be sent to [CISA.CAT@CISA.DHS.GOV](mailto:CISA.CAT@CISA.DHS.GOV).



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## HEALTHCARE / PUBLIC HEALTH

- Workers providing COVID-19 testing; Workers that perform critical clinical research needed for COVID-19 response
- Caregivers (e.g., physicians, dentists, psychologists, mid-level practitioners, nurses and assistants, infection control and quality assurance personnel, pharmacists, physical and occupational therapists and assistants, social workers, speech pathologists and diagnostic and therapeutic technicians and technologists)
- Hospital and laboratory personnel (including accounting, administrative, admitting and discharge, engineering, epidemiological, source plasma and blood donation, food service, housekeeping, medical records, information technology and operational technology, nutritionists, sanitarians, respiratory therapists, etc.)
- Workers in other medical facilities (including Ambulatory Health and Surgical, Blood Banks, Clinics, Community Mental Health, Comprehensive Outpatient rehabilitation, End Stage Renal Disease, Health Departments, Home Health care, Hospices, Hospitals, Long Term Care, Organ Pharmacies, Procurement Organizations, Psychiatric Residential, Rural Health Clinics and Federally Qualified Health Centers)
- Manufacturers, technicians, logistics and warehouse operators, and distributors of medical equipment, personal protective equipment (PPE), medical gases, pharmaceuticals, blood and blood products, vaccines, testing materials, laboratory supplies, cleaning, sanitizing, disinfecting or sterilization supplies, and tissue and paper towel products
- Public health / community health workers, including those who compile, model, analyze and communicate public health information
- Blood and plasma donors and the employees of the organizations that operate and manage related activities
- Workers that manage health plans, billing, and health information, who cannot practically work remotely
- Workers who conduct community-based public health functions, conducting epidemiologic surveillance, compiling, analyzing and communicating public health information, who cannot practically work remotely
- Workers performing cybersecurity functions at healthcare and public health facilities, who cannot practically work remotely
- Workers conducting research critical to COVID-19 response
- Workers performing security, incident management, and emergency operations functions at or on behalf of healthcare entities including healthcare coalitions, who cannot practically work remotely
- Workers who support food, shelter, and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals, such as those residing in shelters
- Pharmacy employees necessary for filling prescriptions
- Workers performing mortuary services, including funeral homes, crematoriums, and cemetery workers
- Workers who coordinate with other organizations to ensure the proper recovery, handling, identification, transportation, tracking, storage, and disposal of human remains and personal effects; certify cause of death; and facilitate access to mental/behavioral health services to the family members, responders, and survivors of an incident

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## LAW ENFORCEMENT, PUBLIC SAFETY, FIRST RESPONDERS

- Personnel in emergency management, law enforcement, Emergency Management Systems, fire, and corrections, including front line and management
- Emergency Medical Technicians
- 911 call center employees
- Fusion Center employees
- Hazardous material responders from government and the private sector.
- Workers – including contracted vendors – who maintain digital systems infrastructure supporting law enforcement and emergency service operations.

## FOOD AND AGRICULTURE

- Workers supporting groceries, pharmacies and other retail that sells food and beverage products
- Restaurant carry-out and quick serve food operations - Carry-out and delivery food employees
- Food manufacturer employees and their supplier employees—to include those employed in food processing (packers, meat processing, cheese plants, milk plants, produce, etc.) facilities; livestock, poultry, seafood slaughter facilities; pet and animal feed processing facilities; human food facilities producing by-products for animal food; beverage production facilities; and the production of food packaging
- Farm workers to include those employed in animal food, feed, and ingredient production, packaging, and distribution; manufacturing, packaging, and distribution of veterinary drugs; truck delivery and transport; farm and fishery labor needed to produce our food supply domestically  
Farm workers and support service workers to include those who field crops; commodity inspection; fuel ethanol facilities; storage facilities; and other agricultural inputs
- Employees and firms supporting food, feed, and beverage distribution, including warehouse workers, vendor- managed inventory controllers and blockchain managers
- Workers supporting the sanitation of all food manufacturing processes and operations from wholesale to retail
- Company cafeterias - in-plant cafeterias used to feed employees
- Workers in food testing labs in private industries and in institutions of higher education
- Workers essential for assistance programs and government payments
- Employees of companies engaged in the production of chemicals, medicines, vaccines, and other substances used by the food and agriculture industry, including pesticides, herbicides, fertilizers, minerals, enrichments, and other agricultural production aids
- Animal agriculture workers to include those employed in veterinary health; manufacturing and distribution of animal medical materials, animal vaccines, animal drugs, feed ingredients, feed, and bedding, etc.; transportation of live animals, animal medical materials; transportation of deceased animals for disposal; raising of animals for food; animal production operations; slaughter and packing plants and associated regulatory and government workforce
- Workers who support the manufacture and distribution of forest products, including, but not limited to timber, paper, and other wood products
- Employees engaged in the manufacture and maintenance of equipment and other infrastructure necessary to agricultural production and distribution

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## ENERGY

### Electricity industry:

- Workers who maintain, ensure, or restore the generation, transmission, and distribution of electric power, including call centers, utility workers, reliability engineers and fleet maintenance technicians
- Workers needed for safe and secure operations at nuclear generation
- Workers at generation, transmission, and electric blackstart facilities
- Workers at Reliability Coordinator (RC), Balancing Authorities (BA), and primary and backup Control Centers (CC), including but not limited to independent system operators, regional transmission organizations, and balancing authorities
- Mutual assistance personnel
- IT and OT technology staff – for EMS (Energy Management Systems) and Supervisory Control and Data Acquisition (SCADA) systems, and utility data centers; Cybersecurity engineers; cybersecurity risk management
- Vegetation management crews and traffic workers who support
- Environmental remediation/monitoring technicians
- Instrumentation, protection, and control technicians

### Petroleum workers:

- Petroleum product storage, pipeline, marine transport, terminals, rail transport, road transport
- Crude oil storage facilities, pipeline, and marine transport
- Petroleum refinery facilities
- Petroleum security operations center employees and workers who support emergency response services
- Petroleum operations control rooms/centers
- Petroleum drilling, extraction, production, processing, refining, terminal operations, transporting, and retail for use as end-use fuels or feedstocks for chemical manufacturing
- Onshore and offshore operations for maintenance and emergency response
- Retail fuel centers such as gas stations and truck stops, and the distribution systems that support them

### Natural and propane gas workers:

- Natural gas transmission and distribution pipelines, including compressor stations
- Underground storage of natural gas
- Natural gas processing plants, and those that deal with natural gas liquids
- Liquefied Natural Gas (LNG) facilities
- Natural gas security operations center, natural gas operations dispatch and control rooms/centers natural gas emergency response and customer emergencies, including natural gas leak calls
- Drilling, production, processing, refining, and transporting natural gas for use as end-use fuels, feedstocks for chemical manufacturing, or use in electricity generation
- Propane gas dispatch and control rooms and emergency response and customer emergencies, including propane leak calls
- Propane gas service maintenance and restoration, including call centers
- Processing, refining, and transporting natural liquids, including propane gas, for use as end-use fuels or feedstocks for chemical manufacturing
- Propane gas storage, transmission, and distribution centers

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## WATER AND WASTEWATER

Employees needed to operate and maintain drinking water and wastewater/drainage infrastructure, including:

- Operational staff at water authorities
- Operational staff at community water systems
- Operational staff at wastewater treatment facilities
- Workers repairing water and wastewater conveyances and performing required sampling or monitoring
- Operational staff for water distribution and testing
- Operational staff at wastewater collection facilities
- Operational staff and technical support for SCADA Control systems
- Chemical disinfectant suppliers for wastewater and personnel protection
- Workers that maintain digital systems infrastructure supporting water and wastewater operations

## TRANSPORTATION AND LOGISTICS

- Employees supporting or enabling transportation functions, including dispatchers, maintenance and repair technicians, warehouse workers, truck stop and rest area workers, and workers that maintain and inspect infrastructure (including those that require cross-border travel)
- Employees of firms providing services that enable logistics operations, including cooling, storing, packaging, and distributing products for wholesale or retail sale or use.
- Mass transit workers
- Workers responsible for operating dispatching passenger, commuter and freight trains and maintaining rail infrastructure and equipment
- Maritime transportation workers - port workers, mariners, equipment operators
- Truck drivers who haul hazardous and waste materials to support critical infrastructure, capabilities, functions, and services
- Automotive repair and maintenance facilities
- Manufacturers and distributors (to include service centers and related operations) of packaging materials, pallets, crates, containers, and other supplies needed to support manufacturing, packaging staging and distribution operations
- Postal and shipping workers, to include private companies
- Employees who repair and maintain vehicles, aircraft, rail equipment, marine vessels, and the equipment and infrastructure that enables operations that encompass movement of cargo and passengers
- Air transportation employees, including air traffic controllers, ramp personnel, aviation security, and aviation management
- Workers who support the maintenance and operation of cargo by air transportation, including flight crews, maintenance, airport operations, and other on- and off- airport facilities workers

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## PUBLIC WORKS

- Workers who support the operation, inspection, and maintenance of essential dams, locks and levees
- Workers who support the operation, inspection, and maintenance of essential public works facilities and operations, including bridges, water and sewer main breaks, fleet maintenance personnel, construction of critical or strategic infrastructure, traffic signal maintenance, emergency location services for buried utilities, maintenance of digital systems infrastructure supporting public works operations, and other emergent issues
- Workers such as plumbers, electricians, exterminators, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences
- Support, such as road and line clearing, to ensure the availability of needed facilities, transportation, energy and communications
- Support to ensure the effective removal, storage, and disposal of residential and commercial solid waste and hazardous waste

## COMMUNICATIONS AND INFORMATION TECHNOLOGY

### Communications:

- Maintenance of communications infrastructure- including privately owned and maintained communication systems- supported by technicians, operators, call-centers, wireline and wireless providers, cable service providers, satellite operations, undersea cable landing stations, Internet Exchange Points, and manufacturers and distributors of communications equipment
- Workers who support radio, television, and media service, including, but not limited to front line news reporters, studio, and technicians for newsgathering and reporting
- Workers at Independent System Operators and Regional Transmission Organizations, and Network Operations staff, engineers and/or technicians to manage the network or operate facilities
- Engineers, technicians and associated personnel responsible for infrastructure construction and restoration, including contractors for construction and engineering of fiber optic cables
- Installation, maintenance and repair technicians that establish, support or repair service as needed
- Central office personnel to maintain and operate central office, data centers, and other network office facilities
- Customer service and support staff, including managed and professional services as well as remote providers of support to transitioning employees to set up and maintain home offices, who interface with customers to manage or support service environments and security issues, including payroll, billing, fraud, and troubleshooting
- Dispatchers involved with service repair and restoration

### Information Technology:

- Workers who support command centers, including, but not limited to Network Operations Command Center, Broadcast Operations Control Center and Security Operations Command Center
- Data center operators, including system administrators, HVAC & electrical engineers, security personnel, IT managers, data transfer solutions engineers, software and hardware engineers, and database administrators
- Client service centers, field engineers, and other technicians supporting critical infrastructure, as well as manufacturers and supply chain vendors that provide hardware and software, and information technology equipment (to include microelectronics and semiconductors) for critical infrastructure
- Workers responding to cyber incidents involving critical infrastructure, including medical facilities, SLTT governments and federal facilities, energy and utilities, and banks and financial institutions, and other critical infrastructure categories and personnel

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- Workers supporting the provision of essential global, national and local infrastructure for computing services (incl. cloud computing services), business infrastructure, web-based services, and critical manufacturing
- Workers supporting communications systems and information technology used by law enforcement, public safety, medical, energy and other critical industries
- Support required for continuity of services, including janitorial/cleaning personnel

### OTHER COMMUNITY-BASED GOVERNMENT OPERATIONS AND ESSENTIAL FUNCTIONS

- Workers to ensure continuity of building functions
- Security staff to maintain building access control and physical security measures
- Elections personnel
- Federal, State, and Local, Tribal, and Territorial employees who support Mission Essential Functions and communications networks
- Trade Officials (FTA negotiators; international data flow administrators)
- Weather forecasters
- Workers that maintain digital systems infrastructure supporting other critical government operations
- Workers at operations centers necessary to maintain other essential functions
- Workers who support necessary credentialing, vetting and licensing operations for transportation workers
- Customs workers who are critical to facilitating trade in support of the national emergency response supply chain
- Educators supporting public and private K-12 schools, colleges, and universities for purposes of facilitating distance learning or performing other essential functions, if operating under rules for social distancing
- Hotel Workers where hotels are used for COVID-19 mitigation and containment measures

### CRITICAL MANUFACTURING

- Workers necessary for the manufacturing of materials and products needed for medical supply chains, transportation, energy, communications, food and agriculture, chemical manufacturing, nuclear facilities, the operation of dams, water and wastewater treatment, emergency services, and the defense industrial base.

### HAZARDOUS MATERIALS

- Workers at nuclear facilities, workers managing medical waste, workers managing waste from pharmaceuticals and medical material production, and workers at laboratories processing test kits
- Workers who support hazardous materials response and cleanup
- Workers who maintain digital systems infrastructure supporting hazardous materials management operations

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## FINANCIAL SERVICES

- Workers who are needed to process and maintain systems for processing financial transactions and services (e.g., payment, clearing, and settlement; wholesale funding; insurance services; and capital markets activities)
- Workers who are needed to provide consumer access to banking and lending services, including ATMs, and to move currency and payments (e.g., armored cash carriers)
- Workers who support financial operations, such as those staffing data and security operations centers

## CHEMICAL

- Workers supporting the chemical and industrial gas supply chains, including workers at chemical manufacturing plants, workers in laboratories, workers at distribution facilities, workers who transport basic raw chemical materials to the producers of industrial and consumer goods, including hand sanitizers, food and food additives, pharmaceuticals, textiles, and paper products.
- Workers supporting the safe transportation of chemicals, including those supporting tank truck cleaning facilities and workers who manufacture packaging items
- Workers supporting the production of protective cleaning and medical solutions, personal protective equipment, and packaging that prevents the contamination of food, water, medicine, among others essential products
- Workers supporting the operation and maintenance of facilities (particularly those with high risk chemicals and/ or sites that cannot be shut down) whose work cannot be done remotely and requires the presence of highly trained personnel to ensure safe operations, including plant contract workers who provide inspections
- Workers who support the production and transportation of chlorine and alkali manufacturing, single-use plastics, and packaging that prevents the contamination or supports the continued manufacture of food, water, medicine, and other essential products, including glass container manufacturing

## DEFENSE INDUSTRIAL BASE

- Workers who support the essential services required to meet national security commitments to the federal government and U.S. Military. These individuals, include but are not limited to, aerospace; mechanical and software engineers, manufacturing/production workers; IT support; security staff; security personnel; intelligence support, aircraft and weapon system mechanics and maintainers
- Personnel working for companies, and their subcontractors, who perform under contract to the Department of Defense providing materials and services to the Department of Defense, and government-owned/contractor- operated and government-owned/government-operated facilities

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# STATE OF FLORIDA

## OFFICE OF THE GOVERNOR EXECUTIVE ORDER NUMBER 20-71

(Emergency Management - COVID-19 – Alcohol Sales, Restaurants, and Gyms)

**WHEREAS**, on March 1, 2020, I issued Executive Order 20-51 directing the Florida Department of Health to issue a Public Health Emergency; and

**WHEREAS**, on March 1, 2020, the State Surgeon General and State Health Officer declared a Public Health Emergency exists in the State of Florida as a result of COVID-19; and

**WHEREAS**, on March 9, 2020, I issued Executive Order 20-52 declaring a state of emergency for the entire State of Florida as a result of COVID-19; and

**WHEREAS**, on March 16, 2020, President Donald J. Trump and the Centers for Disease Control and Prevention (“CDC”) issued the “15 Days to Slow the Spread” guidance advising individuals to adopt far-reaching social distancing measures, such as avoiding gatherings of more than 10 people, and in states with evidence of community spread, bars, restaurants, food courts, gyms and other indoor and outdoor venues where groups of people congregate should be closed; and

**WHEREAS**, the State Surgeon General has advised me that gyms and fitness centers are establishments that attract gatherings of more than 10 people and are more susceptible for spreading COVID-19; and

**WHEREAS**, on March 17, 2020, I issued Executive Order 20-68 restricting bars, pubs, and nightclubs from selling alcohol and ordered every restaurant to limit its occupancy to 50% of its current building occupancy and abide by the CDC’s “social distancing” guidelines; and

**WHEREAS**, restaurants are increasing sales of orders for take-out and delivery for customers in order to meet demand while adhering to Executive Order 20-68; and

**WHEREAS**, I am committed to supporting retailers, restaurants and their employees as they pursue creative business practices that safely serve consumers during this temporary period of social distancing; and

**WHEREAS**, as Governor, I am responsible for meeting the dangers presented to this state and its people by this emergency.

**NOW, THEREFORE, I, RON DESANTIS**, as Governor of Florida, by virtue of the authority vested in me by Article IV, Section (1)(a) of the Florida Constitution, Chapter 252, Florida Statutes, and all other applicable laws, promulgate the following Executive Order to take immediate effect:

Section 1. Alcohol Sales

A. I hereby order all vendors licensed to sell alcoholic beverages for consumption on the premises to suspend the sale of alcoholic beverages by the drink or in sealed containers for consumption on the premises. Such vendors may continue to sell alcoholic beverages in sealed containers for consumption off-premises.

B. The restriction in section 561.20(2)(a)4., Florida Statutes, prohibiting a specially licensed food service establishment from selling package sales of alcohol for delivery, take-out or consumption off-premises is suspended for restaurants complying with Executive Order 20-68, through the expiration of the state of emergency declared in Executive Order 20-52, including any extensions, so long as the following conditions are met:

1) Any sale of an alcoholic beverage in a sealed container for consumption off-premises is accompanied by the sale of food within the same order; and

2) Any delivery of an alcoholic beverage complies with section 561.57, Florida Statutes.

C. The provisions of section 561.42, Florida Statutes, and Rules 61A-1.010, 61A-1.0107, 61A-1.0108, Florida Administrative Code, are suspended for the limited purpose of allowing licensed vendors of alcoholic beverages to request the return of undamaged alcoholic beverages purchased for events cancelled in response to COVID-19, so long as:

1) The requests are made within 30 days of the expiration of the state of emergency declared in Executive Order 20-52, including any extensions.

2) Vendors shall make and keep records of all events cancelled in response to COVID-19 that comply with section 561.55, Florida Statutes, and Rule 61A-1.01028(2), Florida Administrative code, and also include:

- a. the event name;
- b. the date the event was to be held;
- c. the date the event was cancelled;
- d. the location of the event or gathering that was cancelled; and
- e. the product returned to a distributor as a result of the cancellation of the event.

3) Licensed distributors shall make and keep records of all returns that comply with the record keeping requirements of section 561.55, Florida Statutes, and Rule 61A-1.01028(2), Florida Administrative code, and also include:

- a. the request from the licensed vendors;
- b. the date the request was made;
- c. the identity of the licensed vendor making the request, including the

licensed vendor's business name and address;

- d. the license number of the licensed vendor making the request;
- e. the product returned; and
- f. whether the vendor received cash or credit.

4) Vendors receive cash or a credit against outstanding indebtedness within sixty days from the date the distributor picks up the products.

5) The returned products were not initially purchased, sold, or otherwise obtained with either the privilege of return, or in any other manner that would be considered a violation of Florida's Beverage Law.

D. This Section does not prohibit retail stores and vendors that currently sell sealed containers of alcoholic beverages for off-premises consumption from continuing such sales for off premises consumption.

E. This Section amends and supersedes Executive Order 20-68, Section 1.

Section 2. Restaurants and Bars

I hereby order all restaurants and food establishments licensed under Chapters 500 and 509, Florida Statutes, within the State of Florida to suspend on-premises food consumption for customers. Notwithstanding the foregoing, such establishments may operate their kitchens for the purpose of providing delivery or take-out services. Employees, janitorial personnel, contractors and delivery personnel shall be allowed access to such establishments for the purposes of delivery or take-out services. This Section amends and supersedes Executive Order 20-68, Sections 3(A)-(B).

Section 3. Gyms and Fitness Centers

I hereby order the closure of gymnasiums and fitness centers within the State of Florida.

This order shall not apply to gymnasiums and fitness centers which are: (i) amenities of hotels which have a capacity of 10 persons or less, (ii) are an amenity of a residential building, (iii) are interior to any fire or police stations or (iv) are located inside any single-occupant office building.

Section 4. Enforcement and Implementation

A. The Department of Business and Professional Regulation shall utilize its authorities under Florida law to further implement and enforce the provisions of this Executive Order and shall take additional measures as necessary to protect the public health, safety and welfare.

B. Pursuant to section 252.36(6), Florida Statutes, all state and local law enforcement shall further implement and enforce the provisions of this Executive Order.

Section 5. This Executive Order shall expire upon the expiration of Executive Order 20-52, including any extensions.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Florida to be affixed, at Tallahassee, this 20th day of March, 2020.



  
\_\_\_\_\_  
RON DESANTIS, GOVERNOR

ATTEST:

  
\_\_\_\_\_  
SECRETARY OF STATE

FILED  
2020 MAR 20 PM 1:22  
TALLAHASSEE, FLORIDA



Liberty Mutual Insurance  
Business Lines Property Claims  
PO Box 515097  
Los Angeles, CA 90051-5097  
972-470-8924  
Victoria.Muir01@Libertymutual.com

CERTIFIED MAIL-RETURN RECEIPT

March 28, 2020

Candor Grille Inc.  
Attn: Elaine Jackson  
10150 Highland Manor Dr  
Tampa, FL 33610

Re:	Insured:	Candor Grille Inc
	Loss Locations:	10150 Highland Manor Dr, Tampa, FL 33601 13418 Boyette Rd, Riverview, FL 33569
	Date of Loss:	March 18, 2020
	Policy Number:	BKS581641693
	Policy Effective Dates:	July 29, 2019 – July 29,
	Claim Number:	23794292
	Underwriting Co.:	Ohio Security Insurance Company

Dear Ms. Jackson,

This letter is to inform you that we have conducted an investigation of your claim for Loss of Business Income at the above-referenced locations. We have completed our review of the information provided by you or on your behalf. The following is a summary of our findings and position on coverage for the claim asserted.

The insurance policy issued to Candor Grille Inc provides coverage subject to the policy terms and conditions. Based on our investigation and review of the policy, there is no coverage available for your loss as outlined below.

**THE CLAIM**

Our first notice of loss was on March 23, 2020. It was reported that your business has been ordered to temporarily close due to growing concerns around Coronavirus (COVID-19). With the end date unknown, you are claiming a loss of business income.

Our investigation of your claim revealed the following relevant information:

Per our discussion, you have two restaurants and their closings were staggered due to the mandates and environments surrounding each location. Location 1 as listed on the policy declarations is located at 10150 Highland Manor Dr, Tampa, FL 33601. This location is positioned inside a corporate office park and a majority of your sales come from employees in these offices. Sales began to decrease on Monday,



March 16, 2020 and by Wednesday, March 18, 2020, all offices in the surrounding complex were closed. You attempted to work through delivery platforms like UberEATS, but no orders were received. You closed this location on March 18, 2020. Location 2 as listed on the policy declarations is located at 13418 Boyette Rd, Riverview, FL 33569. You operate a full restaurant and bar dine-in service at this location. The Governor of Florida released a mandate to close all dine-in operations, including the sale of alcohol, on March 20, 2020. You closed this location on that date in response to the mandate. No reopen date has been determined. You did confirm that there was no physical damage to the property nor business personal property at either location.

## **THE POLICY**

With regard to your Policy, we refer you to the following relevant provisions contained in the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM CP 00 30 (06/07), which reads in part:

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

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

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

### **A. Coverage**

#### **1. Business Income**

Business Income means the:

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

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

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

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

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

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

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

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

- (a) The portion of the building which you rent, lease or occupy; 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. Extra Expense**

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

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

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the "suspension" of business if you cannot continue "operations".

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

**3. Covered Causes Of Loss, Exclusions And Limitations**

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

\*\*\*

**5. Additional Coverages**

**a. Civil Authority**

In this Additional Coverage - Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations. When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

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

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

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

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

\*\*\*

**F. Definitions**

- 2. "Operations" means:

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

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

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

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

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

\*\*\*

We also refer you to the following relevant provisions contained in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM form CP 00 10 (06/07), which reads in part:

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

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

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

#### A. Coverage

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

\*\*\*

**3. Covered Causes Of Loss**

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

\*\*\*

**H. Definitions**

\*\*\*

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

\*\*\*

The policy also contains the EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA form CP 01 40 (07/06), which reads in part:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY**

- A. The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C. With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to "pollutants".
- D. The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  - 2. Additional Coverage - Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E. The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

We also refer you to the following relevant provisions contained in the CAUSES OF LOSS - SPECIAL FORM CP 10 30 (06/07), which reads in part:

**A. Covered Causes Of Loss**

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

- 1. Excluded in Section B., Exclusions; or
- 2. Limited in Section C., Limitations; that follow.

**B. Exclusions**

\*\*\*

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

b. Delay, loss of use or loss of market.

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

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

\*\*\*

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

\*\*\*

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

\*\*\*

**APPLICATION OF POLICY**

In an effort to alert you to the basis of the denial of coverage, we list below the grounds under which all aspects of the claim are not covered under the policy. It is our intent to incorporate by reference all of the terms of the policy through this denial of coverage letter. Based upon the information available to date, the grounds for the denial of coverage under the policy, or under applicable law, with respect to the claim, include, but are not limited to, the following:

The policy provides Business Income coverage when there is a suspension of your operations at the described premises and results from a covered cause of loss. The closing of the restaurant resulting in a loss of income is not related to any direct physical damage to the business personal property or building. The Civil Authority Additional Coverage is only applicable when access to the described premises is prohibited when there is direct physical damage to other property, not on the described premises, from a covered cause of loss. The Governor's mandate to close all dine-in operations was not due to physical loss or damage nor did it prohibit access to the described premises. It was issued to limit the spread of Coronavirus (COVID-19). The policy specifically excludes losses caused by or resulting from a virus and from contamination.

Based on the above we find no coverage under the terms and conditions of your policy for the costs claimed in connection with your asserted claim and therefore deny your claim. In view of the absence of coverage, we make no comment relative to the amount of loss or damage but include those issues within the rights reserved.

If you have any questions about the content of this letter or the terms and provisions of your policy of insurance, please do not hesitate to call us.

The foregoing is not intended to waive any defenses which are now, or which may hereafter become available to us. The foregoing does not constitute a waiver of any term, condition, or exclusion of the

insurance policy or any rights and defenses under the policy, and we hereby expressly reserve all of our rights and defenses thereunder.

It is also our duty to advise you that this letter concludes the handling of your claim. As such, your attention is drawn to your FLORIDA CHANGES – LEGAL ACTION AGAINST US form IL 01 75 (09/07), which is also attached to your policy, and contains the following provision;

\*\*\*

**D. LEGAL ACTION AGAINST US**

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

1. There has been full compliance with all of the terms of this Coverage Part; and

\*\*\*

The following replaces the second paragraph of the Legal Action Against Us Condition:

**LEGAL ACTION AGAINST US**

Legal action against us involving direct physical loss or damage to property must be brought within 5 years from the date the loss occurs.

\*\*\*

The above “Legal Action Against Us” provision does not include the period of time that transpired between the date you reported your claim to us and the date this letter was sent to you.

If you have any questions, please contact me at 972-470-8924.

Sincerely,

*Victoria Muir*

Victoria Muir, AIC  
Property Adjuster II

cc: Fearnow Insurance, Inc  
PO Box 1788  
Mango, FL 33550



# Circular

FORMS - FILED

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COMMERCIAL PROPERTY

LI-CF-2006-175

## NEW ENDORSEMENTS FILED TO ADDRESS EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

**This circular announces the submission of forms filings to address exclusion of loss due to disease-causing agents such as viruses and bacteria.**

### BACKGROUND

Commercial Property policies currently contain a pollution exclusion that encompasses contamination (in fact, uses the term *contaminant* in addition to other terminology). Although the pollution exclusion addresses contamination broadly, viral and bacterial contamination are specific types that appear to warrant particular attention at this point in time.

### ISO ACTION

We have submitted forms filing CF-2006-OVBEP in all ISO jurisdictions and recommended the filing to the independent bureaus in other jurisdictions. This filing introduces new endorsement CP 01 40 07 06 - Exclusion Of Loss Due To Virus Or Bacteria, which states that there is **no coverage for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.**

**Note:** In Alaska, District of Columbia, Louisiana\*, New York and Puerto Rico, we have submitted a different version of this filing, containing new endorsement CP 01 75 07 06 in place of CP 01 40. The difference relates to lack of implementation of the mold exclusion that was implemented in other jurisdictions under a previous multistate filing.

Both versions of CF-2006-OVBEP are attached to this circular.

\* In Louisiana, the filing was submitted as a recommendation to the Property Insurance Association of Louisiana (PIAL), the independent bureau with jurisdiction for submission of property filings.

### PROPOSED EFFECTIVE DATE

Filing CF-2006-OVBEP was submitted with a proposed effective date of January 1, 2007, in accordance with the applicable effective date rule of application in each state, with the exception of various states for which the insurer establishes its own effective date.

Upon approval, we will announce the actual effective date and state-specific rule of effective date application for each state.

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## RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- A new form is being introduced.
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## CAUTION

This filing has not yet been approved. If you print your own forms, do not go beyond the proof stage until we announce approval in a subsequent circular.

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## RELATED RULES REVISION

We are announcing in a separate circular the filing of a corresponding rules revision. Please refer to the **Reference(s)** block for identification of that circular.

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## REFERENCE(S)

LI-CF-2006-176 (7/6/06) - New Additional Rule Filed To Address Exclusion Of Loss Due To Virus Or Bacteria

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## ATTACHMENT(S)

- Multistate Forms Filing CF-2006-OVBEF
- State-specific version of Forms Filing CF-2006-OVBEF (Alaska, District of Columbia, Louisiana, New York, Puerto Rico)

We are sending these attachments only to recipients who asked to be put on the mailing list for attachments. If you need the attachments for this circular, contact your company's circular coordinator.

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## PERSON(S) TO CONTACT

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- the content of this circular, please contact:

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# Amendatory Endorsement - Exclusion Of Loss Due To Virus Or Bacteria

## About This Filing

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This filing addresses exclusion of loss due to disease-causing agents such as viruses and bacteria.

### New Form

We are introducing:

- ◆ Endorsement CP 01 40 07 06 - Exclusion Of Loss Due To Virus Or Bacteria

## Related Filing(s)

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Rules Filing CF-2006- OVBBER

## Introduction

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The current pollution exclusion in property policies encompasses contamination (in fact, uses the term *contaminant* in addition to other terminology). Although the pollution exclusion addresses contamination broadly, viral and bacterial contamination are specific types that appear to warrant particular attention at this point in time.

An example of bacterial contamination of a product is the growth of listeria bacteria in milk. In this example, bacteria develop and multiply due in part to inherent qualities in the property itself. Some other examples of viral and bacterial contaminants are rotavirus, SARS, influenza (such as avian flu), legionella and anthrax. The universe of disease-causing organisms is always in evolution.

Disease-causing agents may render a product impure (change its quality or substance), or enable the spread of disease by their presence on interior building surfaces or the surfaces of personal property. When disease-causing viral or bacterial contamination occurs, potential claims involve the cost of replacement of property (for example, the milk), cost of decontamination (for example, interior building surfaces), and business interruption (time element) losses.

## Current Concerns

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Although building and personal property could arguably become contaminated (often temporarily) by such viruses and bacteria, the nature of the property itself would have a bearing on whether there is actual property damage. An allegation of property damage may be a point of disagreement in a particular case. In addition, pollution exclusions are at times narrowly applied by certain courts. In recent years, ISO has filed exclusions to address specific exposures relating to contaminating or harmful substances. Examples are the mold exclusion in property and liability policies and the liability exclusion addressing silica dust. Such exclusions enable elaboration of the specific exposure and thereby can reduce the likelihood of claim disputes and litigation.

While property policies have not been a source of recovery for losses involving contamination by disease-causing agents, the specter of pandemic or hitherto unorthodox transmission of infectious material raises the concern that insurers employing such policies may face claims in which there are efforts to expand coverage and to create sources of recovery for such losses, contrary to policy intent.

In light of these concerns, we are presenting an exclusion relating to contamination by disease-causing viruses or bacteria or other disease-causing microorganisms.

## Features Of New Amendatory Endorsement

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The amendatory endorsement presented in this filing states that there is **no coverage for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.** The exclusion (which is set forth in Paragraph B of the endorsement) applies to property damage, time element and all other coverages; introductory Paragraph A prominently makes that point. Paragraphs C and D serve to avoid overlap with other exclusions, and Paragraph E emphasizes that other policy exclusions may still apply.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  2. Additional Coverage - Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.  
However, this exclusion does not apply to loss or damage caused by or resulting from fungus. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supercedes any exclusion relating to "pollutants".
- D.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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