

IN THE CIRCUIT COURT OF THE 11TH
JUDICIAL CIRCUIT IN AND FOR
MIAMI-DADE COUNTY, FLORIDA

CASE NO.

CENTURION RESTAURANT GROUP LLC,

Plaintiff,

v.

ILLINOIS UNION INSURANCE COMPANY,
an Illinois Corporation, WESTCHESTER
SURPLUS LINES INSURANCE, a Georgia
Corporation,

Defendants.

COMPLAINT

Plaintiff Centurion Restaurant Group LLC sues Defendants Illinois Union Insurance Company (“Illinois Union”) and Westchester Surplus Lines Insurance (“Westchester”) and states:

JURISDICTION, PARTIES AND VENUE

1. This is a civil action for breach of an insurance contract, costs, and attorneys’ fees in excess of Thirty Thousand Dollars (\$30,000.00).
2. Plaintiff is a Florida LLC and operator of restaurants located throughout Florida and other locations, including Texas, North Carolina, Washington D.C., and Georgia (collectively “Plaintiff”).
3. Illinois Union is an Illinois corporation authorized to conduct business in Florida.
4. Westchester is a Georgia corporation, and a Surplus Lines Insurance Company that issued the insurance policy at issue in this case.
5. Venue lies in Miami-Dade County, Florida pursuant to Fla. Stat. § 47.051

because Illinois Union and Westchester have agents in Miami-Dade County, this is where the cause of action accrued, this is where the insurance policy was issued, and where the first named insured is located. *See also* Fla. Stat. § 47.011; Fla. Stat. § 47.041.

6. This Court has personal jurisdiction over Defendants pursuant to Fla. Stat. § 48.193(1)(a) because Plaintiff's claim arises out of Defendants conducting, engaging in and carrying on business in Florida; Defendants breaching an insurance contract in Florida by failing to perform contractual obligations that the contract requires to be performed in Florida; and Defendants contracting to insure Plaintiff's premises and other properties, the majority of which are located in Florida.

7. All conditions precedent to this action have occurred, been performed or have been waived.

FACTS

A. Background

8. People and businesses buy insurance to help themselves when disaster occurs.

9. People and businesses know that they are at their most vulnerable and desperate condition in the wake of disasters like the current pandemic. Insurance companies know it too.

10. Unlike most other types of commercial contracts, the insurance contract contains mutual obligations.

11. The insurance company, including Defendants herein, promises that they will provide money when most needed after a covered loss in the event of a disaster.

12. The insurance company, including Defendants herein, promises, warrants and sells "peace of mind" that in the unlikely event of a catastrophe or disaster, such as a pandemic, the policy holder will be fully and promptly indemnified.

13. For years and even decades, the vast majority of people and businesses that carry business interruption insurance faithfully paid their premiums. Now that there is a catastrophic business interruption caused by a national health pandemic and government-ordered business shutdowns, their claims are denied. Like Plaintiff, many people and businesses are relying on their business interruption insurance to cover what it is supposed to cover – loss of income and ongoing expenses – to get through this crisis and rebuild their businesses.

14. Plaintiff, like any business, is about commerce that involves hiring employees, contracting with suppliers and selling to customers. The business counts on current income and future income from operations to remain operational, and insurance coverage when operations are suspended due to disasters.

15. Policyholders are dependent on performance by the insurance company when they are most vulnerable. Dependence here arises from the policyholders' financial desperation combined with a state of mind focused on managing the fallout from the disaster.

16. When the insurance company fails to fulfill its obligations timely and completely, the policyholder suffers contractual damages and harm to the existence of its business.

17. In order to protect its business and its income from losses, Plaintiff obtained an insurance policy (the "Policy") from Illinois Union and issued by Westchester.

18. Plaintiff purchased this commercial property insurance policy, with policy number MCRD38195785, effective March 30, 2020 (renewed through 2021).¹ *See* Exhibit A. The Policy protects against, among other risks, business losses and extra expenses that result from an involuntary interruption of business operations.

¹ Plaintiff is the first named insured under the Policy and seeks to recover damages for all related named insureds.

19. The Policy period runs until March 30, 2021, and insures Plaintiff's commercial properties, the restaurants at which Plaintiff conducts its business operations. The Policy is in full effect as Plaintiff has faithfully paid the premiums due which Defendants accepted.

20. The Policy is a contract whereby Plaintiff agreed to pay monthly premiums in exchange for Defendants' promises of coverage for business income losses, including coverage for losses due to the involuntary suspension of business operations.

21. Beginning in March 2020, Plaintiff was forced to suspend business operations at its restaurants as a result of the national emergency proclaimed to deal with the national COVID-19 pandemic and resultant civil authority orders, which prohibited access to the restaurants. This ongoing suspension has caused Plaintiff to suffer significant business income losses and incur significant expenses.

22. Specifically, Defendants are in breach by refusing coverage for the suspension of business that resulted from the national COVID-19 pandemic disaster. Defendants are obligated under the Policy to cover and pay these losses and expenses but has refused to do so.

B. Relevant Policy Provisions

23. The Policy is an all-risk commercial property insurance policy that provides coverage for physical loss of the insured property from all risks unless expressly excluded by language in the body of the Policy or through a separate exclusion endorsement. There is no exclusion in the Policy for business interruption caused by a declaration of a national emergency and urgent lock down of non-essential businesses and at-home quarantine of the vast majority of the national population due to a global pandemic.

24. The Policy defines Plaintiff's covered property as "Business Income" for which it will pay for the loss of caused by or resulting from any "Covered Cause of Loss."

25. The Business Income coverage provides that Defendants will pay for the actual loss of business income Plaintiff sustains due to the necessary suspension of its operations during a period of restoration which ends when business operations return to normal. *Id.* at 59.

26. The Policy defines operations as Plaintiff's "business activities occurring at the described premises." *Id.* at 67.

27. The Policy defines business income as "Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss had occurred..." *Id.* at 59.

28. The Policy also provides for coverage for "Extended Business Income" where the necessary suspension of operations produces a business income loss up to the time normal business operations resume. *Id.* at 61.

29. The Policy includes coverage for Extra Expense, providing Defendants will pay the necessary expenses Plaintiff incurs that it would not have incurred if there had been no loss of the property. *Id.* at 59.

30. The Policy includes coverage for actions of Civil Authority, providing Defendants will pay for the actual loss of Business Income and incurred Extra Expenses at the premises caused by the action of civil authority that prohibits access to the premises in response to dangerous physical conditions. *Id.* at 60.

C. Plaintiff Has Suffered and Continues to Suffer a Loss Under the Policy

31. Following the proclamation of a national emergency, Miami-Dade Mayor Carlos Jimenez issued Emergency Orders 3-20 and 7-20 severely restricting or closing non-essential businesses in Miami-Dade County. On March 9, 2020 Governor Ron DeSantis in response to President Trump's proclamation of a national state of emergency issued Executive Order 20-52

citing his authority to declare a state of emergency under Chapter 267 (1)(a), Florida Statutes which is intended to provide emergency measures to protect residents from disasters that threaten life, health and safety and damage to property. Governor DeSantis issued additional Executive Orders relating to the COVID-19 pandemic including Executive Order 20-70 on March 20, 2020 closing restaurants in certain other South Florida counties (other than for deliveries and takeout), bars, taverns, pubs, night clubs, banquet halls, cocktail lounges, cafeterias, movie theaters, concert houses, auditoriums, playhouses, bowling alleys, arcades, gymnasiums, and fitness studios.

32. Then, on March 30, 2020 Governor DeSantis issued Executive Order 20-89, explicitly limiting access to businesses in South Florida:

I hereby order Miami-Dade County, Broward County, Palm Beach County and Monroe County to restrict public access to businesses and facilities deemed non-essential pursuant to the guidelines established by Miami-Dade County pursuant to its March 19, 2020 Emergency Order 07-20, and as modified by subsequent amendments and orders prior to the date of this order.

33. Other similar state and local civil authority orders where Plaintiff's related insureds operate have been issued that close or restrict access to all non-essential business operations or prohibit public access to the property of non-essential businesses where the individuals gather in close proximity to each other in order to protect the public from the dangerous condition of contracting the respiratory illness named COVID-19.

34. The civil authority orders expressly state that the closing of non-essential businesses, reductions in permitted operating hours, and social distancing restrictions placed on the public are necessary emergency measures to protect the health and safety of all residents in Florida due to the spread of COVID-19 through human-to-human and surface-to-human contact with the coronavirus.

35. The COVID-19 pandemic is tantamount to a “natural disaster.” Like other specific disasters, such as hurricanes or earthquakes, it involves substantial damage to property, hardship, suffering, and loss of life.

36. Unsurprisingly, already, at least one State Supreme Court has recognized, in *Friends of DeVito v. Wolf*, that the damage caused by the COVID-19 pandemic is indistinguishable from those caused by earthquakes, fires and the other casualty events:

We agree with Respondents that the COVID-19 pandemic qualifies as a “natural disaster” under the Emergency Code...

2020 Pa. LEXIS 1987, at *31 (Pa. April 13, 2020).

37. Losses from disasters are what property-based insurance coverage has always been intended to cover.

38. The nature of Plaintiff’s business are restaurants open to the public and a place where individuals socialize and gather in close proximity. As a direct result of the existence of the national COVID-19 emergency, and orders to close non-essential businesses in South Florida and throughout the country, Plaintiff suffered a physical loss of its business income and incurred extra expenses. The loss continues.

39. Further, the civil authority actions restricting the public from accessing Plaintiff’s premises and the area surrounding it resulted from dangerous physical conditions which caused a suspension of Plaintiff’s business operations and loss of business income. There are over 1,600,000 reported cases of COVID-19 in the United States. This shows that the population is vulnerable to contracting COVID-19 throughout Miami-Dade County and the county, and that dangerous conditions permeate all property, including the areas surrounding Plaintiff’s premises.

40. Specifically, the civil authority orders have denied access to the premises, prevented customers from physically occupying the premises, caused the premises to be

physically uninhabitable by customers, caused its function to be nearly eliminated or destroyed, and caused the suspension of the majority of business operations.

D. Plaintiff Has Suffered and Continues to Suffer a Loss Under the Policy, But Was Denied Coverage

41. The business income losses Plaintiff has and continues to suffer, and the extra expenses Plaintiff has incurred are covered under the Policy, yet on May 20, 2020 Defendants denied coverage despite Plaintiff's timely notice of its claim.

42. Due to the proclaimed national disaster, state and local state of emergency declarations, and related civil authority orders, Plaintiff has suffered business income losses and incurred extra expenses.

43. These losses and expenses have continued through the date of filing of this action as the restaurant operations remain suspended or severely reduced.

44. Plaintiff's lost business income and extra expenses due to a national disaster have not been excluded from coverage. Plaintiff is entitled to be indemnified by Defendants for its business income losses and expenses incurred.

45. Thus, Defendants are in breach of the Policy for denying coverage.

COUNT I

BREACH OF CONTRACT

46. Plaintiff incorporates by reference paragraphs 1 – 45 as though fully set forth herein.

47. Plaintiff has a commercial property insurance policy issued by Defendants.

48. Plaintiff has performed all its obligations as specified by the Policy including the payment of all premiums due.

49. Plaintiff's Policy provides coverage for business income loss, extended business income loss, and extra expense for unexpected and unexcluded covered causes of loss.

50. As stated above, Plaintiff had to involuntarily close its insured premises to the public and cease or substantially reduce its operations due to the national COVID-19 disaster and resulting measures put in place by civil authority orders and thus has incurred substantial business income losses and extra expenses.

51. Defendants denied and refused to provide coverage for Plaintiff's business income losses and extra expenses.

52. As a result of the Defendants' breach of the Policy, Plaintiff has suffered actual damages.

WHEREFORE, Plaintiff seeks compensatory damages resulting from Defendants' breach of contract, an appraisal to determine the amount of Plaintiff's damages, and further seeks all relief deemed appropriate by this Court, including attorneys' fees and costs.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against the Defendants as follows:

- (1) Awarding Plaintiff compensatory damages from the Defendants' breach of the insurance contract in an amount to be determined at trial or appraisal ordered by this Court, together with appropriate prejudgment interest at the maximum rate allowable by law;
- (2) Awarding Plaintiff costs and disbursements and reasonable allowances for the fees of Plaintiff's experts, and reimbursement of expenses;
- (3) Awarding Plaintiff attorneys' fees pursuant to Fla. Stat. § 627.428; and
- (4) Awarding such other and further relief the Court deems just, proper, and equitable.

DEMAND FOR A JURY TRIAL

Plaintiff requests a jury trial for any and all Counts for which a trial by jury is permitted by law.

Respectfully submitted this 3rd day of June, 2020.

/s/ Javier A. Lopez

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Fort Lauderdale, FL 33301

Tel: (954) 525-4100

Counsel for Plaintiff

EXHIBIT A

POLICY FACE PAGE

Insurer: Illinois Union Insurance Company

Policy Number: MCRD38195785

Insured Name: Centurion Restaurant Group LLC

Policy Dates: From: 03/30/2019 To: 03/30/2020

THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER.

Surplus Lines Agent: Gloria Davenport

Surplus Lines Agent License #: A299585

Surplus Lines Agent Address: 4500 PGA Blvd, Suite 301B | Palm Beach Gardens, FL 33418

Producing Agent Name: Michael Wolfe

Producing Agent Address: 225 SE 15th Terrace | Deerfield Beach, FL 33441

Premium:	\$160,149.00	Surplus Lines Tax:	\$7,821.15
Inspection Fee:	\$ 3,000.00	Service Office Fee:	\$ 163.18
Policy Fee:	\$ 35.00	EMPA Surcharge:	\$ 4.00

Total Premium, Tax, Fees, Assessments: \$171,172.33

Confirmation Number: A043837804958

Surplus Lines Agent's Countersignature: *Gloria Davenport*

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SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY. (Section 626.924 (2))

POLICY NUMBER: MCRD38195785

TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of the policy remain unchanged.

Authorized Agent

CHUBB®

Westchester A Chubb Company
Risk Control Services
11575 Great Oaks Way, Suite 200
Alpharetta, GA 30022

678.795.4115 *tel*
678.795.4160 *fax*

Tom.dixon@westchester.com
www.chubb.com

Thomas H. Dixon, C.S.P.
Assistant Vice President – Risk Control

Insured Name: **CENTURION RESTAURANT GROUP LLC BEEHIVE KITCHEN LA**

Insured Location: 8899 NW 18TH TERRACE SUITE #200

Policy Number: MCRD38195785

Policy Dates: 03/30/19 to 03/30/20

RE: RISK CONTROL SERVICES FOR TEXAS POLICYHOLDERS
Commercial Automobile Liability, General Liability and Professional Liability Coverage

The Chubb Companies provide policyholders with accident prevention services and programs to help you reduce the frequency and severity of accidents in your business. If you would like more information on the specific services and programs that the Chubb Companies can provide, contact:

Thomas H. Dixon
AVP Risk Control
11575 Great Oaks Way, Suite 200
Alpharetta, GA 30022
678-795-4115 or 1-800-982-9826 (toll free)
tom.dixon@westchester.com



Insured Name: **CENTURION RESTAURANT GROUP LLC BEEHIVE KITCHEN LA**
 Insured Location: 8899 NW 18TH TERRACE SUITE #200
 Policy Number: MCRD38195785
 Policy Dates: 03/30/19 to 03/30/20

The Chubb Companies are required by **Texas** law and regulations to maintain or provide accident/loss prevention services for its professional liability, commercial automobile and general liability policyholders. The Chubb Companies offer these prevention services in Texas at no additional charge. The services are intended to help prevent and/or minimize accident/loss. These services include, but are not limited to, individual risk surveys, loss investigations, specific loss problem identification, and recommended actions for improvement.

The Chubb Companies may recommend one or more of these services based on the hazard, experience, and size of your **Texas** operations. You have the choice of receiving or declining any services offered. If you wish to decline all of the services or wish to receive only selected Risk Control Services, please indicate that by signing and dating in the space provided below. Please mail or fax this page to my attention at the captioned address or fax number. If you decline all of the available risk control services or choose only a support service which does not include a complete risk survey, we still have the responsibility under **Texas** law to monitor your losses. In the event you develop loss trends or problems and/or an adverse loss ratio develops, we will contact you and offer to assist you in addressing this situation.

Sincerely,
Thomas H. Dixon, CSP
 AVP Risk Control

- I am aware of the risk control service offered and decline. I have made other arrangements for these services.**
- I wish to obtain the following accident prevention services:**

- At this time, I have no risk control service needs. I reserve the right to request risk control service at a later date.**

(Title & Date) *(Signature)*

Name: _____
 Company Name: _____
 Address: _____
 City, State, Zip: _____

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**FLORIDA
IMPORTANT NOTICE TO POLICYHOLDERS**

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.



ace group

NORTH CAROLINA IMPORTANT NOTICE TO POLICYHOLDERS

Coinsurance contract: The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy.



Chubb Producer Compensation Practices & Policies

Chubb believes that policyholders should have access to information about Chubb's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.chubbproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.

CHUBB®

Questions About Your Insurance?

Answers to questions about your insurance, coverage information, or assistance in resolving complaints can be obtained by calling Chubb, Customer Support Service Department, at 1-800-352-4462.

NOTICE TO OUR FLORIDA PROPERTY AND CASUALTY POLICYHOLDERS GUIDELINES FOR LOSS CONTROL PLANS

Florida law requires us to inform you that we have developed guidelines for risk management plan which are available to you at no cost. The guidelines consist of the following:

- A. A booklet entitled "Establishing an Effective Loss Control Program." This booklet describes various loss control procedures that can help you in your selection and implementation of actions that eliminate or reduce the frequency and severity of your losses.
- B. A self inspection checklist that is tailored for your business and when used in inspections it may be of assistance to you in the identification of conditions which could be responsible for losses.

Should you require further help in developing and implementing an effective loss control program, other loss control services are also available to you for an additional charge. The following services are available from ACE USA Loss Control Services:

- A. Loss control management consultation. Through a visit to your facility we will assist you in identifying loss causing conditions, evaluating your loss prevention methods, and recommending loss control enhancements.
- B. Training loss control management techniques. This training supports our consulting and is intended to assist you in the implementation of your loss control procedures. The training can be provided to you or your employees.

To obtain either the free guidelines for loss control plans or information on additional loss control services, please complete the section below and send it to:

Royal Centre Two,
11575 Great Oaks Way,
Suite 200,
Alpharetta, GA 30022

<input type="checkbox"/> Send me the free guidelines for the loss control plans		
<input type="checkbox"/> Send me information on how I can obtain additional loss control services		
Business Operation:		
Company Name:		
Street Address:		
City:	State:	Zip Code:
Telephone:	Policy No:	
Person to contact:	Title:	
Signature		

ELECTION NOT TO PURCHASE CONTENTS COVERAGE

Florida law requires that an insurer issuing a commercial residential property insurance policy must make available, at the option of the policyholder, a means to exclude contents coverage. This coverage may be excluded **only if you personally write and provide to the insurer ('us') a statement as prescribed in the law, in your own handwriting.** The statement must be signed and dated by you. The statement must also be signed and dated by every other named insured on the policy. The exclusion of coverage applies for the term of the policy and for each renewal thereafter; changes to the exclusion may be implemented only as of the date of renewal.

If you elect not to purchase contents coverage, the policy Declarations will not show a Limit of Insurance or premium for such coverage for the affected property.

I do not want the insurance on my residential property to pay for the costs to repair or replace any contents that are damaged. I will pay those costs. My insurance will not.

Applicant's/First Named Insured's statement to elect **not** to purchase contents coverage (please **hand-write** the statement which appears in the preceding box):

Applicant's/ First Named Insured's Signature:		Date:
Other Named Insured's Signature:		Date:
Other Named Insured's Signature:		Date:
Other Named Insured's Signature:		Date:

TEXAS PERIOD TO FILE A CLAIM OR BRING LEGAL ACTION AGAINST US NOTICE – WINDSTORM OR HAIL – CATASTROPHE AREA

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), **the provisions of the policy (including its endorsements) shall prevail.**

Carefully read your policy, including the endorsements attached to your policy.

In accordance with Texas Insurance Code Section 2301.010(f), we are notifying you that:

1. With respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code, any claim must be filed with us not later than one year after the date of the loss or damage that is the subject of the claim, except that a claim may be filed after the first anniversary of the date of the loss or damage for good cause shown by the person filing the claim; and
2. Any legal action brought against us under the policy for loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code, must be brought within the earlier of the following:
 - a. Two years and one day from the date we accept or reject the claim; or
 - b. Three years and one day from the date of the loss or damage that is the subject of the claim.

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.**

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.

CHUBB®

- Illinois Union Insurance Company
- Westchester Surplus Lines Insurance
-

Insured:

Attached To Policy No.:

Effective Date:

FLORIDA SURPLUS LINES NOTIFICATION

THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER.

SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS NOTICE IS ATTACHED OTHER THAN AS STATED ABOVE.

POLICY NUMBER: MCRD38195785

SERVICE OF SUIT ENDORSEMENT - FLORIDA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Information about service of suits upon the company is given below. Service of process of suits against the company may be made upon the following person, or another person the company may designate:

Chief Financial Officer of the State of Florida
Department of Financial Services
200 E. Gaines Street
Tallahassee, FL 32399

The person named above is authorized and directed to accept service of process on the company's behalf in any action, suit or proceeding instituted against the company. If the insured requests, the company will give the insured a written promise that a general appearance will be entered on the company's behalf if a suit is brought.

If the insured requests, the company will submit to the jurisdiction of any court of competent jurisdiction. The company will accept the final decision of that court or any Appellate Court in the event of an appeal. However, nothing in this endorsement constitutes a waiver of the company's right to: remove an action to a United States District Court, seek a transfer of a case to another court, or to enforce policy provisions governing choice of law or venue selection, as may be permitted by the laws of the United States, or of any state in the United States.

Florida law requires that the Chief Financial Officer of the State of Florida be designated as the company's agent for service of process. In Florida the company designates the Chief Financial Officer as the company's true and lawful attorney upon whom service of process on the company's behalf may be made. The company also authorizes the Chief Financial Officer to mail process received on the company's behalf to the company person named below.

Mr. Paul Bech, Esq., Assistant General Counsel
Chubb
436 Walnut Street
Philadelphia, PA 19106-3703

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED OTHER THAN AS ABOVE STATED.

Authorized Representative

Illinois Union

INSURANCE COMPANY

525 West Monroe Street, Suite 400
Chicago, IL 60661

NOTICE

POLICY NO. MCRD38195785

NAME OF INSURED: CENTURION RESTAURANT GROUP LLC
BEEHIVE KITCHEN LAS OLAS LLC DBA
ADDRESS: 8899 NW 18TH TERRACE SUITE #200
DORAL FL 33172

We are pleased to enclose your policy for this account.

Please be advised that by binding this risk with the above referenced Surplus Lines Insurance Company, you agree that as the Surplus Lines Broker responsible for the placement of this insurance policy, it is your obligation to comply with all States Surplus Lines Laws including completion of any declarations/affidavits that must be filed as well as payment of any and all Surplus Lines taxes that must be remitted to the State(s). We will look to you for indemnification if controlling Surplus Lines Laws are violated by you as the Surplus Lines broker responsible for the placement.

The Surplus Lines Broker further confirms that this risk has been declined by three admitted carriers not including any insurer affiliated with the Surplus Lines Insurance Company.

Thank you for this placement and your regulatory compliance.

Date: 03/30/2019

CHUBB®**Policy Number
MCRD38195785****SCHEDULE OF LOCATIONS
Illinois Union Insurance Company**

Named Insured CENTURION RESTAURANT GROUP LLC

Effective Date: 03-30-19
12:01 A.M., Standard Time

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

Agent No. Z03347

Loc. No.	Bldg. No.	Designated Locations (Address, City, State, Zip Code)	Occupancy
001	001	8899 NW 18th Terrace, Suite #200, Doral, FL 33172	Office
002	001	6007 Legacy Drive, DBA Bulla Plano, Plano, TX 75024	Restaurant
003	001	60 11th St. NE, Suite 2, DBA Bulla Atlanta, Atlanta, GA 30309	Restaurant
004	001	2500 Ponce De Leon Blvd., DBA Bulla Coral Gables, Coral Gables, FL 33144	Restaurant
005	001	5335 NW 87th Ave #C102, DBA Bulla Doral, Doral, FL 33166	Restaurant
006	001	930 S Howard Ave, DBA Bulla Tampa, Tampa, FL 33606	Restaurant
007	001	110 S Orlando Ave, Ste #7, DBA Bulla Winter Park, Winter Park, FL 32789	Restaurant
008	001	8551 NW 53 St #A101, DBA Pisco Y Nazca Doral, Doral, FL 33116	Restaurant
009	001	8405 Mills Dr #260, DBA Pisco Y Nazca Kendall, Miami, FL 33183	Restaurant
010	001	6312 North Andrews Ave, DBA Behive Cypress Creek, Fort Lauderdale, FL 33309	Restaurant
011	001	200 E Las Olas Blvd., Ste 110, DBA Beehive Las Olas, Fort Lauderdale, FL 33301	Restaurant
012	001	4310 Sharon Rd., WO1A, DBA Bulla SouthPark, Charlotte, NC 28211	Restaurant
013	001	1823 L Street, NW, DBA Pisco Y Nazca, Washington, DC 20036	Restaurant
014	001	1914 NE 5th Ave, Boca Raton, FL 33431	Restaurant

CHUBB®**Policy Number
MCRD38195785****SCHEDULE OF FORMS AND ENDORSEMENTS
Illinois Union Insurance Company**

Named Insured CENTURION RESTAURANT GROUP LLC

Effective Date: 03-30-19
12:01 A.M., Standard Time

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

Agent No. Z03347

COMMON POLICY FORMS AND ENDORSEMENTS

ALL-21101	11-06	TRADE OR ECONOMIC SANCTIONS ENDORSE
ALL-35600a	09-16	RISK CONTROL SERVICES FOR TX POL HOLDERS
ALL-38725	01-14	FL IMPORTANT NOTICE TO POLICYHOLDERS
ALL-38726	01-14	NC IMPORTANT NOTICE TO POLICYHOLDERS
ALL-20887	10-06	CHUBB PRODUCER COMP PRACTICES & POLICIES
ALL-5X45	11-96	QUESTIONS ABOUT YOUR INSURANCE
ALL-8W17B	09-12	FL P&C POLICYHOLDERS GUIDELNS LOSS CONTRL
IL N 153	07-07	ELECTION NOT TO PURCHASE CONTENTS COV
IL N 178	03-13	TX PRD TO FILE A CLAIM/BRING LEGL NOTICE
IL P 001	01-04	US TREASURY DEPT'S OFAC ADVISORY NOTICE
SL-24680	10-09	FLORIDA SURPLUS LINES NOTICE
SL-44730a	01-16	SERVICE OF SUIT ENDORSEMENT - FLORIDA
ALL-24624	01-08	COMMON POLICY DECLARATIONS
ALL-24625	01-08	SCHEDULE OF LOCATIONS
ALL-24626	01-08	SCHEDULE OF FORMS AND ENDORSEMENTS
LD-5S23J	03-14	SIGNATURE ENDORSEMENT
ALL-24629	01-08	SCHEDULE OF NAMED INSURED(S)
IL 00 17	11-98	COMMON POLICY CONDITIONS
IL 00 21	09-08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDT
IL 01 68	03-12	TEXAS CHANGES-DUTIES
IL 01 75	09-07	FLORIDA CHANGES-LEGAL ACTION AGAINST US
IL 02 55	03-16	FLORIDA CHANGES-CANC & NONRENEWAL
IL 02 62	02-15	GEORGIA CHANGES-CANC & NONRENL
IL 02 69	09-08	NORTH CAROLINA CHANGES-CANC & NONRENL
IL 02 75	11-13	TEXAS CHANGES-CANC & NONRENL
IL 02 78	09-08	DISTRICT OF COLUMBIA CHGS-CANC & NONRENL
IL 01 12	11-18	FL CHGS-MEDIATION/APPRL (CMML RES PROP)
IL 09 35	07-02	EXCL OF CERTAIN COMPUTER- RELATED LOSSES
IL 09 53	01-15	EXCL/CERT ACTS-TERROR; COV/FIRE LOSSES
TRIA24	01-15	NOTICE OF TERRORISM INSURANCE COVERAGE

PROPERTY FORMS AND ENDORSEMENTS

FA-33239	11-10	COMM PROPERTY COV PART SUPP DEC
CP 00 10	06-07	BUILDING & PERSONAL PROPERTY COVERAGE
CP 00 30	06-07	BUSINESS INCOME COVERAGE (&/EX EXP)
CP 00 90	07-88	COMMERCIAL PROPERTY CONDITIONS
FA-47549	02-16	RESTAURANT ENHANCEMENT ENDORSEMENT
FA-7Y32A	04-15	EQUIPMENT BREAKDOWN COVERAGE
FA-24633	01-08	COMM PROPERTY COV PART SUPP DEC
FA-24634.	01-08	COMM PROPERTY COV PART EXT OF SUPP DEC
CP 01 18	02-14	NORTH CAROLINA CHANGES
CP 01 31	03-13	GEORGIA CHANGES
CP 01 42	03-12	TEXAS CHANGES
CP 01 40	07-06	EXCL OF LOSS DUE TO VIRUS OR BACTERIA
CP 04 11	09-17	PROTECTIVE SAFEGUARDS
CP 10 30	06-07	CAUSES OF LOSS - SPECIAL FORM
CP 10 32	08-08	WATER EXCLUSION ENDORSEMENT
CP 10 54	06-07	WINDSTORM OR HAIL EXCLUSION
CP 12 18	06-95	LOSS PAYABLE PROVISIONS
CP 99 93	10-90	TENTATIVE RATE
FA-8Y96A	04-15	EQUIPMENT BREAKDOWN COV ENDORS SCHEDULE

ALL-24626 (01/08)

CHUBB®

**Policy Number
MCRD38195785**

**SCHEDULE OF FORMS AND ENDORSEMENTS
Illinois Union Insurance Company**

Named Insured CENTURION RESTAURANT GROUP LLC

Effective Date: 03-30-19
12:01 A.M., Standard Time

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

Agent No. Z03347

GENERAL LIABILITY FORMS AND ENDORSEMENTS

LD-24638	01-08	COMM GENERAL LIABILITY COVERAGE SUPP DEC
LD-24640	01-08	LIQUOR LIABILITY COVERAGE PART DEC
LD-25124	01-08	COMM GENERAL LIABILITY COVERAGE SCHEDULE
CG 00 01	04-13	COMMERCIAL GENERAL LIABILITY COV FORM
CG 00 33	04-13	LIQUOR LIABILITY COV FORM (OCCURRENCE)
LD-47554	02-16	RESTAURANT GENERAL LIABILITY EXTRA ENDT
CG 01 03	06-06	TEXAS CHANGES
CG 01 13	12-04	TX CHANGES-EXPERIENCE RATING MOD
CG 02 20	03-12	FL CHANGES - CANCELLATION & NONRENEWAL
CG 21 06	05-14	EXCL-ACC/DISCL OF CONFI OR PERSONAL INFO
CG 21 47	12-07	EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG 21 65	12-04	TOTAL POLLUTION EXCL-WITH EXCEPTIONS
CG 21 67	12-04	FUNGI OR BACTERIA EXCLUSION
CG 21 73	01-15	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
CG 21 96	03-05	SILICA OR SILICA-RELATED DUST EXCLUSION
CG 24 07	01-96	PROD/COMPLETED OPERATIONS HAZARD REDEFIN
CG 25 04	05-09	DESIGNATED LOCATIONS GENERAL AGGREGATE
CG 26 39	12-07	TX CHANGES-EMPLOY RELATED PRACTICES EXCL
LD-3R16	03-87	EXCLUSION - ASBESTOS
LD-4R10A	06-87	NON-OWNED AND RENTED AUTO LIABILITY
LD-4S35	06-92	EXCLUSION - LEAD
LD-9863	05-92	EMPLOYEE BENEFITS LIAB ENDORSEMENT

POLICY NUMBER: MCRD38195785

SIGNATURES

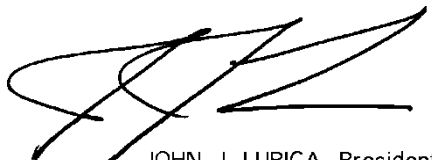
THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract.

ILLINOIS UNION INSURANCE COMPANY (A stock company)
525 W. Monroe Street, Suite 400, Chicago, Illinois 60661

WESTCHESTER SURPLUS LINES INSURANCE COMPANY (A stock company)
Royal Centre Two, 11575 Great Oaks Way, Suite 200, Alpharetta, GA 30022


REBECCA L. COLLINS, Secretary


JOHN J. LUPICA, President

Authorized Representative

CHUBB®

**Policy Number
MCRD38195785**

**SCHEDULE OF NAMED INSURED(S)
Illinois Union Insurance Company**

Named Insured CENTURION RESTAURANT GROUP LLC

Effective Date: 03-30-19
12:01 A.M., Standard Time

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

Agent No. Z03347

ALL-24624 (cont.)

THE NAMED INSURED ON FORM ALL-24624 IS AMENDED TO READ:

CENTURION RESTAURANT GROUP LLC
BEEHIVE KITCHEN LAS OLAS LLC
DBA BEEHIVE LAS OLAS
BULLA ATLANTA LLC DBA BULLA
ATLANTA
BULLA DORAL LLC DBA BULLA
GASTROBAR
BULLA PLANO LLC DBA BULLA
PLANO
BULLA TAMPA LLC DBA BULLA
TAMPA
BULLA WINTERPARK LLC DBA BULLA
WINTER PARK
BULLA LLC DBA BULLA GASTROBAR
PICO Y NAZCA DORAL LLC DBA
PISCO Y NAZCA DORAL
PISCO Y NAZCA KENDALL LLC DBA
PISCO Y NAZCA KENDALL
BULLA SOUTHPARK LLC
PISCO Y NAZCA DUPONT LLC DBA
PISCO Y NAZCA

COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

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

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

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

1. The insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES – DUTIES

This endorsement modifies insurance provided under the following:

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

The following is added to the **Duties** Condition:

We will notify the first Named Insured in writing of:

1. An initial offer to settle a claim made or "suit" brought against any insured ("insured") under this coverage. The notice will be given not later than the 10th day after the date on which the offer is made.

2. Any settlement of a claim made or "suit" brought against the insured ("insured") under this coverage. The notice will be given not later than the 30th day after the date of the settlement.

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.

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.

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 policies 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.

GEORGIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph **A.1.** of the **Cancellation** Common Policy Condition is replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation stating a future date on which the policy is to be cancelled, subject to the following:

- a.** If only the interest of the first Named Insured is affected, the effective date of cancellation will be either the date we receive notice from the first Named Insured or the date specified in the notice, whichever is later. However, upon receiving a written notice of cancellation from the first Named Insured, we may waive the requirement that the notice state the future date of cancellation, by confirming the date and time of cancellation in writing to the first Named Insured.
- b.** If by statute, regulation or contract this policy may not be cancelled unless notice is given to a governmental agency, mortgagee or other third party, we will mail or deliver at least 10 days' notice to the first Named Insured and the third party as soon as practicable after receiving the first Named Insured's request for cancellation.

Our notice will state the effective date of cancellation, which will be the later of the following:

- (1)** 10 days from the date of mailing or delivering our notice; or
- (2)** The effective date of cancellation stated in the first Named Insured's notice to us.

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

5. Premium Refund

- a.** If this policy is cancelled, we will send the first Named Insured any premium refund due.
- b.** If we cancel, the refund will be pro rata, except as provided in **c.** below.
- c.** If the cancellation results from failure of the first Named Insured to pay, when due, any premium to us or any amount, when due, under a premium finance agreement, then the refund may be less than pro rata. Calculation of the return premium at less than pro rata represents a penalty charged on unearned premium.
- d.** If the first Named Insured cancels, the refund may be less than pro rata.
- e.** The cancellation will be effective even if we have not made or offered a refund.

- C. The following is added to the **Cancellation** Common Policy Condition and supersedes any other provisions to the contrary:

If we decide to:

1. Cancel or nonrenew this policy; or
2. Increase current policy premium by more than 15% (other than any increase due to change in risk, exposure or experience modification or resulting from an audit of auditable coverages); or
3. Change any policy provision which would limit or restrict coverage;

then:

We will mail or deliver notice of our action (including the dollar amount of any increase in renewal premium of more than 15%) to the first Named Insured and lienholder, if any, at the last mailing address known to us. Except as applicable as described in Paragraph **D.** or **E.** below, we will mail or deliver notice at least:

- a. 10 days before the effective date of cancellation if this policy has been in effect less than 60 days or if we cancel for nonpayment of premium; or
- b. 45 days before the effective date of cancellation if this policy has been in effect 60 or more days and we cancel for a reason other than nonpayment of premium; or
- c. 45 days before the expiration date of this policy if we decide to nonrenew, increase the premium or limit or restrict coverage.

- D. The following provisions apply to insurance covering residential real property only provided under the:

Capital Assets Program (Output Policy) Coverage Part;

Commercial Property Coverage Part;

Farm Coverage Part;

if the named insured is a natural person.

With respect to such insurance, the following is added to the **Cancellation** Common Policy Condition and supersedes any provisions to the contrary except as applicable as described in Paragraph **E.**:

1. When this policy has been in effect for 60 days or less and is not a renewal with us, we may cancel for any reason by notifying the first Named Insured at least 10 days before the date cancellation takes effect.

2. When this policy has been in effect for more than 60 days, or at any time if it is a renewal with us, we may cancel for one or more of the following reasons:

- a. Nonpayment of premium, whether payable to us or to our agent;
- b. Upon discovery of fraud, concealment of a material fact, or material misrepresentation made by or with the knowledge of any person insured under this policy in obtaining this policy, continuing this policy or presenting a claim under this policy;
- c. Upon the occurrence of a change in the risk which substantially increases any hazard insured against; or
- d. Upon the violation of any of the material terms or conditions of this policy by any person insured under this policy.

We may cancel by providing notice to the first Named Insured at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 45 days before the effective date of cancellation if we cancel for any of the reasons listed in **b.**, **c.** or **d.** above.

- E. With respect to a policy that is written to permit an audit, the following is added to the **Cancellation** Common Policy Condition:

If you fail to submit to or allow an audit for the current or most recently expired term, we may cancel this policy subject to the following:

1. We will make two documented efforts to send you and your agent notification of potential cancellation. After the second notice has been sent, we have the right to cancel this policy by mailing or delivering a written notice of cancellation to the first Named Insured at least 10 days before the effective date of cancellation, but not within 20 days of the first documented effort.
2. If we cancel this policy based on your failure to submit to or allow an audit, we will send the written notice of cancellation to the first Named Insured at the last known mailing address by certified mail or statutory overnight delivery with return receipt requested.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

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

2. Cancellation Requirements

a. Policies In Effect Less Than 60 Days

If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. Policies In Effect More Than 60 Days

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy prior to the:

- (1) Expiration of the policy term; or
 - (2) Anniversary date,
- stated in the policy only for one or more of the following reasons:

- (a) Nonpayment of premium;

- (b) An act or omission by the insured or his or her representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining this policy, continuing this policy or presenting a claim under this policy;
- (c) Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk;
- (d) Substantial breach of contractual duties, conditions or warranties that materially affects the insurability of the risk;
- (e) A fraudulent act against us by the insured or his or her representative that materially affects the insurability of the risk;
- (f) Willful failure by the insured or his or her representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us;

- (g) Loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30;
- (h) Conviction of the insured of a crime arising out of acts that materially affect the insurability of the risk;
- (i) A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the laws of North Carolina; or
- (j) You fail to meet the requirements contained in our corporate charter, articles of incorporation or by-laws when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.

We will mail or deliver written notice of cancellation to the first Named Insured at least:

- (i) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (ii) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. Cancellation for nonpayment of premium will not become effective if you pay the premium amount due before the effective date of cancellation.
 - d. We may also cancel this policy for any reason not stated above provided we obtain your prior written consent.

B. The following provisions are added and supersede any other provisions to the contrary:

1. Nonrenewal

a. If we elect not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of nonrenewal at least 45 days prior to the:

- (1) Expiration of the policy if this policy has been written for one year or less; or
- (2) Anniversary date of the policy if this policy has been written for more than one year or for an indefinite term.

b. We need not mail or deliver the notice of nonrenewal if you have:

- (1) Insured property covered under this policy, under any other insurance policy;
- (2) Accepted replacement coverage; or
- (3) Requested or agreed to nonrenewal of this policy.

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

2. The written notice of cancellation or nonrenewal will:

- a. Be mailed or delivered to the first Named Insured and any designated mortgagee or loss payee at their addresses shown in the policy, or if not indicated in the policy, at their last known addresses; and
- b. State the reason or reasons for cancellation or nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES – CANCELLATION AND NONRENEWAL PROVISIONS FOR CASUALTY LINES AND COMMERCIAL PACKAGE POLICIES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY
FARM COVERAGE PART – FARM LIABILITY COVERAGE FORM
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This endorsement also modifies insurance provided under the following when written as part of a Commercial Package Policy:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

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

2. We may cancel this policy:

- a.** By mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.

However, if this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then the notice of cancellation, as described above, will be provided to the first Named Insured 30 days before the effective date of cancellation. We will also provide 30 days' written notice to each unit-owner to whom we issued a certificate or memorandum of insurance, by mailing or delivering the notice to each last mailing address known to us.

- b. For the following reasons, if this policy does not provide coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two-family dwellings:
 - (1) If this policy has been in effect for 60 days or less, we may cancel for any reason except that, under the provisions of the Texas Insurance Code, we may not cancel this policy solely because the policyholder is an elected official.
 - (2) If this policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by us, we may cancel only for one or more of the following reasons:
 - (a) Fraud in obtaining coverage;
 - (b) Failure to pay premiums when due;
 - (c) An increase in hazard within the control of the insured which would produce an increase in rate;
 - (d) Loss of our reinsurance covering all or part of the risk covered by the policy; or
 - (e) If we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.
 - c. For the following reasons, if this policy provides coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two-family dwellings:
 - (1) If this policy has been in effect for less than 90 days, we may cancel coverage for any reason.
 - (2) If this policy has been in effect for 90 days or more, or if it is a renewal or continuation of a policy issued by us, we may cancel coverage, only for the following reasons:
 - (a) If the first Named Insured does not pay the premium or any portion of the premium when due;
 - (b) If the Texas Department of Insurance determines that continuation of this policy would result in violation of the Texas Insurance Code or any other law governing the business of insurance in Texas;
 - (c) If the Named Insured submits a fraudulent claim; or
 - (d) If there is an increase in the hazard within the control of the Named Insured which would produce an increase in rate.
- B.** The following condition is added and supersedes any provision to the contrary:
- Nonrenewal**
1. We may elect not to renew this policy except that, under the provisions of the Texas Insurance Code, we may not refuse to renew this policy solely because the policyholder is an elected official.
 2. This paragraph, 2., applies unless the policy qualifies under Paragraph 3. below.

If we elect not to renew this policy, we may do so by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, at least 60 days before the expiration date. If notice is mailed or delivered less than 60 days before the expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's premium.
 3. If this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then we will mail or deliver written notice of nonrenewal, at least 30 days before the expiration or anniversary date of the policy, to:
 - a. The first Named Insured; and
 - b. Each unit-owner to whom we issued a certificate or memorandum of insurance.

We will mail or deliver such notice to each last mailing address known to us.
 4. If notice is mailed, proof of mailing will be sufficient proof of notice.
 5. The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DISTRICT OF COLUMBIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

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

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation. At least five days before sending notice to the first Named Insured, we will notify the agent or broker, if any, who wrote the policy.

If this policy has been in effect for 30 days or less and is not a renewal of a policy we issued, we may cancel this policy for any reason.

If this policy has been in effect more than 30 days, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

1. You have refused or failed to pay a premium due under the terms of the policy;
2. You have made a material and willful misstatement or omission of fact to us or our employees, agents or brokers in connection with any application to or claim against us;

3. You have transferred your property or other interest to a person other than you or your beneficiary, unless the transfer is permitted under the terms of the policy; or

4. The property, interest or use of the property or interest has materially changed with respect to its insurability.

B. The following is added:

NONRENEWAL

We may elect not to renew this policy by mailing or delivering written notice of nonrenewal to the first Named Insured's last mailing address known to us. We will mail or deliver the notice at least 30 days before the expiration of the policy. At least five days before sending notice to the first Named Insured, we will notify the agent or broker, if any, who wrote the policy. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES – MEDIATION OR APPRAISAL (COMMERCIAL RESIDENTIAL PROPERTY)

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM (COMMERCIAL PROPERTY COVERAGE PART)
 BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 MORTGAGEHOLDERS ERRORS AND OMISSIONS COVERAGE FORM
 STANDARD PROPERTY POLICY

With respect to a loss to commercial residential property, the following replaces the **Appraisal Condition**:

Mediation Or Appraisal

A. If we and either the first Named Insured or a third party who is an assignee of benefits under the policy are engaged in a dispute regarding a claim, either the first Named Insured, the third-party assignee or we may request a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. However, we are not required to participate in any mediation requested by a third-party assignee. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that the first Named Insured requests. If the dispute is mediated, the settlement in the course of mediation is binding only if both parties agree, in writing, on a settlement, and the first Named Insured has not rescinded the settlement within three business days after reaching settlement. The first Named Insured may not rescind the settlement after cashing or depositing the settlement check or draft we provided to the first Named Insured.

We will pay the cost of conducting the mediation conference. However, if:

1. The first Named Insured fails to appear at the mediation conference and the first Named Insured wishes to schedule a new conference after failing to appear, then the new conference will be scheduled only upon payment by the first Named Insured of a sum equal to the fees we paid for the mediation conference at which the first Named Insured failed to appear. This sum will then be applied to the cost of the rescheduled mediation conference, and we will pay the balance, if any, of the cost of conducting the rescheduled mediation conference; or
 2. We fail to appear at a mediation conference without good cause, we will pay the actual cash expenses the first Named Insured incurs in attending the mediation conference and also pay the total cost of the rescheduled mediation conference.
- B.** If we and you disagree on the value of the property or the amount of loss, either may request an appraisal of the loss, in writing. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
1. Pay its chosen appraiser; and

2. Bear the other expenses of the appraisal and umpire equally.

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

However, only with respect to disagreements between us and the first Named Insured, the first Named Insured is not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss, if we:

1. Requested mediation and either we or the first Named Insured rejected the mediation result; or
2. Failed to notify the first Named Insured of the first Named Insured's right to participate in the mediation program.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including micro-processors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss - Basic Form or the Causes Of Loss - Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF 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
- CRIME AND FIDELITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART
- STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **C**) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to 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 following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

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

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

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.

D. Application Of Other 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.



Illinois Union Insurance Company
Insurance Company

CENTURION RESTAURANT GROUP LLC
Policyholder

MCRD38195785

Policy Number

INNOVATIVE COVERAGE CONCEPTS LLC
Broker/Producer

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You were notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury---in consultation with the Secretary of Homeland Security, and the Attorney General of the United States---to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY YOUR POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% FOR YEAR 2015, 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017, 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM THAT WOULD BE CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

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

You elected **NOT** to purchase terrorism coverage under the Act at the price indicated. ACCORDINGLY, WE WILL **NOT** PROVIDE THIS COVERAGE AND YOU DO NOT OWE THE ADDITIONAL PREMIUM FOR THAT COVERAGE INDICATED BELOW.

Terrorism coverage described by the Act under your policy was made available to you for additional premium in the amount of \$2,895 , however you elected to decline such coverage.

CHUBB®

Policy Number

MCRD38195785

**COMMERCIAL PROPERTY COVERAGE PART
SUPPLEMENTAL DECLARATIONS**

Illinois Union Insurance Company

Named Insured CENTURION RESTAURANT GROUP LLC

Effective Date: 03-30-19

12:01 A.M., Standard Time

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

Agent No. Z03347

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.

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

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
- (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).

EXAMPLE #2

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

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

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

b. 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.

- (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) 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.
- 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

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

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.

- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "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.
- (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 (herein after referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

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

EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

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

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

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

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

\$ 59,850 Loss Payable – Building #1

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

Total amount of loss payable:

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

EXAMPLE #2

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

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

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

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties In The Event Of Loss Or Damage

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

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

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

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

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

4. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of 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 sub-lessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

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

b. Vacancy Provisions

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

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in **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): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

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

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

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

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

EXAMPLE #2 (ADEQUATE INSURANCE)

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

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 (\$250,000 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 the property is:	
Building at Location #1:	\$ 75,000
Building at Location #2:	\$ 100,000
Personal Property at Location #2:	<u>\$ 75,000</u>
	\$ 250,000
The Coinsurance percentage for it is:	90%
The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is:	\$ 180,000
The Deductible is:	\$ 1,000
The amount of loss is:	
Building at Location #2:	\$ 30,000
Personal Property at Location #2:	<u>\$ 20,000</u>
	\$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

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

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

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

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

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your non-payment 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:
 $\$100,000 \times .08 \times 146 \div 365 =$ \$ 3,200

3. Replacement Cost

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

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

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the 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 to **f.** below:
- (1)** The Limit of Insurance applicable to the lost or damaged property;
 - (2)** The cost to replace the lost or damaged property with other property:
 - (a)** Of comparable material and quality; and
 - (b)** Used for the same purpose; or
 - (3)** The amount actually spent that is necessary to repair or replace the lost or damaged property.

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

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

4. Extension Of Replacement Cost To Personal Property Of Others

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

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

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

H. Definitions

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

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

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

A. Coverage

1. Business Income

Business Income means the:

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

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

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

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

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

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

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

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 a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage – Interruption 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.

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.
- (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).

EXAMPLE #1 (UNDERINSURANCE)

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

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

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

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

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

EXAMPLE #2 (ADEQUATE INSURANCE)

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

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

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

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

1. Maximum Period Of Indemnity

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

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

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

2. Monthly Limit Of Indemnity

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

b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:

- (1) The Limit of Insurance, multiplied by
- (2) The fraction shown in the Declarations for this Optional Coverage.

EXAMPLE

When: The Limit of Insurance is: \$ 120,000
 The fraction shown in the Declarations for this Optional Coverage is: 1/4

The most we will pay for loss in each period of 30 consecutive days is: \$ 30,000
 (\$120,000 x 1/4 = \$30,000)

If, in this example, the actual amount of loss is:

Days 1–30:	\$ 40,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	\$ 90,000

We will pay:	
Days 1–30:	\$ 30,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

a. To activate this Optional Coverage:

(1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":

- (a) During the 12 months prior to the date of the Work Sheet; and
- (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

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

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

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

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

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

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

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

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

EXAMPLE

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

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

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

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

4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 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 consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
- b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

6. "Suspension" means:

- a. The slowdown or cessation of your business activities; or
- b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

COMMERCIAL PROPERTY CONDITIONS

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

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

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

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

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

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

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

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

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

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RESTAURANT ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM

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If there is a Deductible or “period of restoration” that applies to a Covered Cause of Loss, that Covered Cause of Loss Deductible or “period of restoration” supersedes any Deductible or “period of restoration” within this endorsement. This includes, but is not limited to, a Deductible or “period of restoration” for windstorm, earth movement, earthquake or flood.

A. In the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**, Section **A. Coverages**, Paragraph **4. Additional Coverages** is amended to add the following Additional Coverages. Unless specifically addressed elsewhere within this endorsement, the Deductible that applies to these Additional Coverages is \$1,000 each occurrence. Unless otherwise indicated, the amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are in addition to the Limits of Insurance shown in the Declarations.

1. Accounts Receivable

- a.** If your records of accounts receivable are lost or damaged by a Covered Cause of Loss, 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 that are in excess of your normal collection expenses that are made necessary by the loss; and
 - (4)** Other reasonable expenses that you incur to reestablish your records of accounts receivable.
- b.** To the extent that coverage for accounts receivable is provided under this Additional Coverage, the provisions of **Property Not Covered** in the **Coverage** section do not apply.
- c.** With respect to this Additional Coverage only, the **CAUSES OF LOSS – SPECIAL FORM**, Section **B. Exclusions**, is amended to delete all of the exclusions except for the following:
 - (1) B.1.c.**
 - (2) B.1.d.**
 - (3) B.1.f.**
 - (4) B.2.f.**
 - (5) B.2.g.**
 - (6) B.3.**
- d.** With respect to this Additional Coverage only, the following is added to Paragraph **B. Exclusions**, of the **CAUSES OF LOSS – SPECIAL FORM**:

We will not pay for loss or damage caused directly or indirectly by or resulting from:

 - (1)** Alteration, falsification, concealment, or destruction of records of accounts receivable done to conceal the wrongful giving, taking, or withholding of “money”, “securities”, or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.
 - (2)** Bookkeeping, accounting, or billing errors or omissions.
 - (3)** Electrical or magnetic injury, disturbance, or erasure of electronic recordings. But we will pay for direct loss or damage caused by lightning.
 - (4)** Errors in machine programming or instructions to machines.
 - (5)** Operator or programmer error.
 - (6)** Unauthorized instructions to transfer property to any person or to any place.

We will not pay for loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
- e.** If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:
 - (1)** Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and

- (2) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
- f. The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (1) The amount of the accounts for which there is no loss or damage;
 - (2) The amount of the accounts that you are able to reestablish or collect;
 - (3) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (4) All unearned interest and service charges.
- g. The most we will pay in any one occurrence at each described premises is \$50,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule.

2. Brands And Labels

- a. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, we will pay your reasonable expenses and you may:
 - (1) Stamp the word salvage on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
 - (2) Remove the brands or labels, if doing so will not physically damage the merchandise.
 You must re-label the merchandise or its containers to comply with the law.
- b. We will pay for the loss in value of the salvaged merchandise resulting from stamping it or removing the brands and labels.
- c. The most we will pay for loss or damage in any one occurrence is \$50,000.

3. Debris Removal

The additional limit for debris removal expense referenced in Paragraph **a.(4)** of the Debris Removal Additional Coverage is increased from \$10,000 to \$100,000.

4. Employee Dishonesty

- a. We will pay for direct loss to Business Personal Property and “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 partners, “members” or “managers”) with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other “employee” benefits earned in the normal course of employment) for:
 - (a) Any “employee”; or
 - (b) Any other person or organization.
- b. We will extend the coverage provided to comply with certain provisions of the Employee Retirement Income Security Act (ERISA). However, coverage is provided only when you own, control or operate the “Employee Benefit Plan” and the “Employee Benefit Plan” is shown in the Declarations. Any payment we make for loss sustained will be made to the “Employee Benefit Plan” sustaining the loss.
- c. To the extent that coverage for employee dishonesty is provided under this Additional Coverage, the provisions of **Property Not Covered** in the **Coverage** section do not apply.
- d. With respect to this Additional Coverage only, the **CAUSES OF LOSS – SPECIAL FORM**, Section **B. Exclusions**, is amended to delete all of the exclusions except for the following:
 - (1) **B.1.c.**
 - (2) **B.1.d.**
 - (3) **B.1.f.**
 - (4) **B.2.i.**

- e. With respect to this Additional Coverage only, the following is added to Section **B. Exclusions** of the **CAUSES OF LOSS – SPECIAL FORM**:

This insurance does not apply to:

- (1) Loss or damage resulting from any dishonest or criminal act that you or any of your partners, “members”, officers, “managers”, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose commit whether acting alone or in collusion with other persons.
 - (2) Loss or damage caused by an “employee” if the “employee” had also committed “theft” or any other dishonest act prior to the effective date of this policy and you or any of your partners, “members”, officers, “managers”, directors or trustees, not in collusion with the “employee”, learned of that “theft” or dishonest act prior to the policy period shown in the Declarations.
 - (3) Loss or damage resulting from the unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, process methods or customer lists; or the unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information, or similar non-public information.
 - (4) Fees, costs and expenses incurred by you which are related to any legal action.
 - (5) Loss or damage when the only proof of which as to its existence or amount is an inventory computation or a profit and loss computation.
 - (6) Loss or damage resulting from trading, whether in your name or in a genuine or fictitious account.
 - (7) Loss or damage resulting from the fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.
- f. All loss caused by one or more “employee” or involving a single act or series of related acts is considered one occurrence.
- g. We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance accumulates from year to year or period to period.
- h. We will pay only for covered loss sustained during the policy period and discovered no later than one year from the end of the policy expiration.
- i. If you discover a loss during the policy period that you (or any predecessor in interest) sustained 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:
- (1) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (2) The loss would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss were committed or occurred.
 - (3) This coverage is provided within, and 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.
- j. The most we will pay for loss or damage in any one occurrence is \$100,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule.

5. Fine Arts

- a. We will pay for direct physical loss or damage to fine arts that you own or that belong to others while in your care, custody or control.
- b. Fine arts include property of rare, historical or artistic merit including, but not limited to, paintings, drawings, etchings, pictures, tapestries, art or rare glass, art glass windows, valuable rugs, statuary, sculptures, antiques, antique jewelry and bric-a-brac.

c. The value of fine arts, including newly acquired property, will be based on a qualified, professional appraisal conducted within the last three years. If an appraisal is not available, the value will be based on the least of the following amounts:

- (1) The actual cash value of the property;
- (2) The cost of reasonably restoring that property to its condition immediately before loss; or
- (3) The cost of replacing that property with substantially identical property.

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

- d. It is a condition of this Additional Coverage that you must have the fine arts packed and unpacked by competent packers.
- e. Our payment for loss of fine arts of others in your care, custody or control will only be for the account of the owner of the fine arts.
- f. The most we will pay in any one occurrence at each described premises is \$100,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule.
- g. We will also pay up to an additional \$10,000 in any one occurrence for fine arts that you acquire during the policy period, for up to 30 days, but not beyond the end of the policy period. You must report such property within 30 days from the date acquired. If you do not report this newly acquired property to us, coverage will end automatically 30 days after the date of its acquisition.

6. Fire Department Service Charge

Under section **A. Coverage**, Paragraph **4.c. Fire Department Service Charge**, the most we will pay is revised from \$1,000 to \$25,000.

7. Fire Extinguisher Systems Expense – Including Automatic Cooking Protection Systems

- a. We will pay for the cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises.
- b. We will pay for loss or damage to covered property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.
- c. We will pay for loss or damage to covered property caused by the accidental discharge of fire suppressant chemicals from an automatic extinguishing system over your cooking equipment, including the cost to recharge the automatic extinguishing system after accidental discharge.
- d. No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- e. A Deductible does not apply to this Additional Coverage.
- f. The most we will pay in any one occurrence at each described premises is \$25,000.

8. Forgery Or Alteration

- a. We will pay for loss resulting directly from “forgery” or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in “money” that are made or drawn by or drawn upon you or made or drawn by one acting as your agent, or that are purported to have been so made or drawn.
- b. We will pay for loss resulting directly from “forgery” or alteration of written instruments required in conjunction with any credit, debit or charge card issued to you or any “employee” for business purposes.
- c. For the purpose of this Additional Coverage, we will consider electronically or mechanically reproduced facsimile signatures the same as handwritten signatures.
- d. If you are sued for refusing to pay any instrument covered in Paragraph **a.** or **b.** above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.
- e. With respect to this Additional Coverage only, the following exclusion is added:

Non-Compliance with Credit, Debit, or Charge Card Issuer’s Requirements

We will not pay for loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

- f. To the extent that coverage for forgery or alteration is provided under this Additional Coverage, the provisions of **Property Not Covered** in the **Coverage** section do not apply.
- g. All loss caused by one or more persons or involving a single act or series of related acts is considered one occurrence.
- h. The most we will pay for any loss in any one occurrence, including legal expenses, is \$25,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule 0.

9. Lost Key Consequential Loss

- a. If a master or grand master key is lost or damaged by a Covered Cause of Loss, including "theft", we will pay for the actual cost of keys, the cost of adjusting locks to accept new keys, or the cost of new locks, if required, of like kind and quality including the cost of their installation.
- b. This Additional Coverage does not apply to keys left in the possession of former employees.
- c. The most we will pay in any one occurrence at each described premises is \$5,000.
- d. A deductible of \$100 applies.

10. Computer Fraud and Funds Transfer Fraud

- a. We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises"; and for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account":
 - (1) To a person (other than a "messenger") outside those "premises"; or
 - (2) To a place outside those "premises".
- b. The most we will pay for all loss resulting directly from an "occurrence" is \$25,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule.
- c. This insurance does not apply to:
 - (1) Loss resulting from "theft" or any other dishonest act committed by:
 - (a) You; or
 - (b) Any of your partners or "members,"
whether acting alone or in collusion with other persons.
 - (2) Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the Policy Period shown in the Declarations.
 - (3) Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.
 - (4) Loss resulting from:
 - (a) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customers lists; or
 - (b) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information or similar non-public information.
 - (c) The use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards of the information contained on such cards.
- d. We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you:

- (1) No later than 1 year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (2) No later than 1 year from the date of that cancellation with regards to any "employee benefit plans".
- e. We will pay only for loss you sustain through an "occurrence" that occurs 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 to period to period.
- f. This Additional Coverage terminates as to any "employee":
 - (1) As soon as:
 - (a) You; or
 - (b) Any of your partners, "members", "managers", officers, directors, or trustees not in collusion with the "employee";

learn of "theft" or any dishonest act committed by the "employee" whether before or after becoming employed by you.
 - (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

g. The coverage territory applicable to this Additional Coverage is worldwide.

h. Definitions

The following definitions are added and apply only to this Additional Coverage:

- (1) "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- (2) "Fraudulent instruction" means:
 - (a) An electronic, telegraphic, cable, teletype, tele facsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
 - (b) A written instruction (other than those described in the Forgery Or Alteration Additional Coverage) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
 - (c) An electronic, telegraphic, cable, teletype, tele facsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.
- (3) "Funds" means "money" and "securities".
- (4) "Messenger" means you, or a relative of your, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".
- (5) "Occurrence" means:
 - (a) An individual act;
 - (b) The combined total of all separate acts or events whether or not related; or
 - (c) A series of acts or events whether or not related;

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations.
- (6) "Premises" means that interior of that portion of any building you occupy in conducting your business.

- (7) "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or deliver of "funds":
 - (a) By means of electronic, telegraphic, cable, teletype, tele facsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 - (b) By means of written instructions (other than those described in the Forgery Or Alteration Additional Coverage) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.
- i. To the extent that coverage for computer fraud and funds transfer fraud is provided under this Additional Coverage, the provisions of **Property Not Covered** in the **Coverage** section do not apply.
- j. With respect to this Computer Fraud Coverage and Funds Transfer Fraud Additional Coverage only, the following are removed from the **CAUSES OF LOSS – SPECIAL FORM**:
 - (1) Paragraph **B.2.i.** under **Exclusions**; and
 - (2) Paragraph **C.1.f.** under **Limitations**.

11. Money And Securities

- a. We will pay for loss of "money" and "securities" used in your business resulting directly from "theft", disappearance; or destruction, while:
 - (1) In or on the described premises, or within a bank or savings institution; or
 - (2) Anywhere outside the premises.
- b. We will not pay for loss:
 - (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of property in any exchange or purchase; or
 - (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous reading instrument in the device.
- c. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- d. All loss caused by one or more persons or involving a single act or series of related acts is considered one occurrence.
- e. The most we will pay for loss or damage in any one occurrence at each described premises is \$25,000 inside the premises and \$10,000 outside the premises, unless higher Limits Of Insurance are shown in the Restaurant Enhancement Endorsement Supplemental Schedule.

12. Money Orders And Counterfeit Money

- a. We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:
 - (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
 - (2) "Counterfeit money" that is acquired during the regular course of business.
- b. With respect to this Additional Coverage only, an occurrence means:
 - (1) An individual act or event;
 - (2) The combined total of all separate acts or events whether or not related; or
 - (3) A series of acts or events whether or not related;
 committed by a person acting alone or in collusion with other persons.
- c. The most we will pay in any one occurrence at each described premises is \$25,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule.

13. Ordinance Or Law – Building or Tenant's Improvements And Betterments

- a. We will pay for the following loss or damage caused by the enforcement of any ordinance or law:

(1) Coverage For Loss To The Undamaged Portion Of The Building Or Tenant's Improvements Or Betterments

In the event of damage to covered buildings or tenant's improvements or betterments by a Covered Cause of Loss, we will pay for the loss in value of the undamaged portion of the building or tenant's improvements or betterments, as a consequence of the enforcement of an ordinance or law that requires demolition of undamaged parts of the covered property.

This coverage is included within the Limits of Insurance shown in the Declarations as applicable to the covered building or tenant's improvements or betterments and is not in addition to the Limits of Insurance applicable to such Covered Property. The Deductible applicable to the Covered Property, also applies to this Additional Coverage.

(2) Demolition Cost Coverage

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

The most we will pay for loss or damage in any one occurrence at each described premises is \$250,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule.

(3) Increased Cost Of Construction Coverage

With respect to the building or tenant's improvements and betterments that has sustained covered direct physical damage, we will pay the increased costs incurred to comply with the enforcement of the minimum requirements of the ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the following limitations:

(a) We will not pay for the increased cost of construction:

- (1)** Unless the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law;
- (2)** Until the property is actually repaired or replaced, at the same or another premises;
- (3)** 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;
- (4)** If you were required to comply with the ordinance or law before the loss, even when the building was undamaged, and you failed to comply.

(b) If the building or tenant's improvements or betterments are repaired or replaced at the same premises the most we will pay for the increased cost of construction is the increased cost of construction at the premises. If you elect to rebuild at another premises, or if the ordinance or law requires you to relocate to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

(c) The most we will pay for loss or damage in any one occurrence at each described premises is \$250,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule.

b. Under this Additional Coverage, we will not pay for:

- (1)** 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
- (2)** 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.

c. The ordinance or law referred to in this Additional Coverage is an ordinance or law that regulates the construction or repair of property or establishes zoning or land use requirements at the described premises and is in force at the time of loss.

- d. 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.
- e. This Additional Coverage applies only to the buildings or tenant's improvements or betterments if the Replacement Cost Optional Coverage applies.
- f. With respect to this Additional Coverage only, the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is amended as follows:
 - (1) Section **E. Loss Conditions**, Paragraph **4.b. of Loss Payment** does not apply.
 - (2) Section **E. Loss Conditions**, Paragraph **7.b. of Valuation** does not apply.
 - (3) Section **F. Additional Conditions**, Paragraph **1. Coinsurance**, applies only to paragraphs **a.(2)** and **a.(3)** above.
 - (4) Section **G. Optional Coverages**, Paragraph **3.f. of Replacement Cost** does not apply.
- g. With respect to this Additional Coverage only, the **CAUSES OF LOSS – SPECIAL FORM**, Paragraph **B. Exclusions, 1.a. Ordinance Or Law** does not apply.

14. Ordinance Or Law - Equipment

- a. With respect to covered equipment we will pay the increased costs incurred to comply with the enforcement of the minimum requirements of an ordinance or law to repair or replace your covered equipment that has sustained direct physical damage by a Covered Cause of Loss.
- b. If loss or damage to covered refrigeration equipment is caused by a Covered Cause of Loss, we will pay:
 - (1) The cost to reclaim the refrigerant as required by law;
 - (2) The cost to retrofit the equipment to use a non-CFC refrigerant as required by the Clean Air Act of 1990 and any amendments thereto or any similar laws; and
 - (3) The increased cost to recharge the system with a non-CFC refrigerant.

This Coverage Extension does not apply if such loss or damage is provided elsewhere in this policy.
- c. We will not pay under this Additional 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".
- d. If the equipment is repaired or replaced at the same premises, or at another premises, the most we will pay under this Additional Coverage is the lesser of:
 - (1) The increased cost to repair or replace the equipment; or
 - (2) The Limit of Insurance shown in the Declarations applicable to your Building; or
 - (3) The Limit of Insurance shown in the Declarations applicable to your Business Personal Property when the covered equipment is not attached to the Building.
- e. We will not pay for the increased cost incurred:
 - (1) Unless the restored or remodeled equipment is intended for the same use as the current equipment, except when such equipment is not permitted by zoning or land use ordinance or law;
 - (2) Until the property is actually repaired or replaced, at the same or another premises.
- f. We will not pay for loss due to any ordinance or law that you were required to comply with before the loss, even when the equipment was undamaged, and you failed to comply.
- g. The ordinance or law referred to in this Additional Coverage is an ordinance or law that regulates the equipment requirements at the described premises and is in force at the time of loss.
- h. 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.
- i. With respect to this Additional Coverage only, Section **F. Additional Conditions**, Paragraph **1. Coinsurance** does not apply.
- j. With respect to this Additional Coverage only, the **CAUSES OF LOSS – SPECIAL FORM**, Paragraph **B. Exclusions, 1.a. Ordinance Or Law** does not apply.

15. Reward Payment (*This Additional Coverage does not apply in the state of New York*)

- a. We will reimburse you for rewards paid as follows:
- (1) Up to \$10,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However we will pay no more than the lesser of the following amounts:
 - (a) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
 - (b) The amount determined by the loss settlement procedure applicable to the covered property under the **Loss Payment Condition**.
 - (2) Up to \$10,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by "theft". However, we will pay no more than the lesser of the following amounts:
 - (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
 - (b) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the **Loss Payment Condition**.
- b. This Additional Coverage applies subject to the following conditions:
- (1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property and who is not:
 - (a) You or any family member;
 - (b) Your "employee" or any of his or her family members;
 - (c) An "employee" of a law enforcement agency;
 - (d) An "employee" of a business engaged in property protection;
 - (e) Any person who had custody of the Covered Property at the time the "theft" was committed; or
 - (f) Any person involved in the crime.
 - (2) No reward will be reimbursed unless and until the persons committing the crime are convicted or the Covered Property is returned.
- c. We will reimburse you up to the amount of the reward, for a maximum of \$10,000 in any one occurrence at each described premises.

16. Utility Services – Direct Damage (Including Spoilage and Overhead Transmission Lines)

- a. We will pay for loss or damage to Covered Property caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss.
- b. We will not pay for loss or damage that is covered elsewhere in this policy for the same loss or damage. This includes, but is not limited to, coverage provided by the **Equipment Breakdown Coverage endorsement**.
- c. This coverage does not apply to loss to electronic data, including destruction or corruption of electronic data. Electronic data has the meaning described under paragraph **n.** of **Property Not Covered**.
- d. Utility Services includes the following:
- (1) Water supply services meaning pumping stations and water mains supplying water to the described premises;
 - (2) Communication supply services meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as communication transmission lines, optic fiber transmission lines, coaxial cables, microwave radio relays (except satellites), including overhead transmission lines; and
 - (3) Power supply services meaning the following types of property supplying electricity, steam or gas to the described premises:

- (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers; and
 - (e) Transmission lines, including overhead transmission lines.
- e. This Additional Coverage is not subject to the terms of the Utility Services Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.
 - f. The most we will pay in any one occurrence at each described premises is \$25,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule.
 - g. This limit is part of and not in addition to the Limits of Insurance for your Covered Property.
 - h. The Deductible applicable to your Building or Business Personal Property applies.

17. Leasehold Interest Improvements and Betterments

- a. We will pay for the value of undamaged improvements and betterments when your lease is canceled by:
 - (1) The lessor; and
 - (2) A valid condition of your lease,
 due to direct physical loss or damage to Building or Business Personal Property caused by or resulting from a Covered Cause of Loss at the premises shown in the Declarations.
- b. When you rent the building, we will pay only if:
 - (1) At least 25% of the above building has been damaged; or
 - (2) A minimum of six months remains in your lease and at least six months is required to repair building for your occupancy.
- c. When you rent a portion of the building, we will pay only if:
 - (1) A minimum of six months remains in your lease; and
 - (2) At least six months is required to repair the building for your occupancy.
- d. The most we will pay under this Additional Coverage is \$ 100,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule. This amount is additional insurance.

18. Catering Contract Penalty Clause

- a. We will pay the contract penalties you are required to pay your customers as a result of a penalty clause in your contracts for failure to deliver your products according to contract terms.
- b. The penalties must result solely from direct physical loss or damage by a Covered Cause of Loss to Covered Property.
- c. The most we will pay under this Additional Coverage is \$25,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule. This amount is additional insurance.
- d. No deductible applies to this additional coverage.

B. In the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**, Section **A. Coverages**, Paragraph **5. Coverage Extensions** is amended to add the following Coverage Extensions. Unless specifically addressed elsewhere within this endorsement, the Deductible that applies to these Coverage Extensions is \$1,000 each occurrence. Unless otherwise indicated, the amounts of insurance stated in the following Coverage Extensions apply in accordance with the terms of such coverages and are part of, not in addition to, the Limits of Insurance shown in the Declarations as applicable to the described premises.

1. Boundary Extension

All references to property within 100 feet of the described premises are changed to within 1,000 feet of the described premises.

2. Extended Computer Coverage

In addition to the coverage for loss or damage to “computer” equipment and electronic data provided within this policy, the following additional Limits of Insurance apply:

- a. We will pay up to \$100,000 in any one occurrence at each described premises for loss or damage to your “computers, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule; and
- b. We will pay up to \$100,000 in any one occurrence at each described premises for loss or damage to your electronic data, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule.
- c. Coverage provided by this extension includes loss or damage to “computers” due to artificially generated electrical current if such loss or damage is caused by or results from:
 - (1) An occurrence that took place within 1,000 feet of the described premises; or
 - (2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 1,000 feet of the described premises.

This Coverage Extension does not apply if such loss or damage is provided elsewhere in this policy.

- d. With respect to this Coverage Extension only, the following additional exclusions are added to the **CAUSES OF LOSS – SPECIAL FORM, Paragraph B. Exclusions:**

(1) Errors Or Omissions

Errors or omissions in processing, recording or storing electronic data on “computers”. However, we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would otherwise be covered by this policy.

(2) Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of electronic recordings. However, we will pay for direct loss or damage caused by lightning.

(3) Computer-Related Losses

Whether belonging to any insured or to others, the failure, malfunction or inadequacy of:

- (a) “Computer” hardware, including microprocessors;
- (b) “Computer” application software;
- (c) “Computer” operating systems and related software;
- (d) “Computer” networks;
- (e) Microprocessors (“computer” chips) not part of any “computer” system;
- (f) Any other computerized or electronic equipment or components; or
- (g) Any other products or any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed above as Computer-Related Losses, due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

(4) Computer Advice Or Consultation

Any advice, consultation, design, evaluation, inspection, 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 (3) above.

- e. If an excluded Cause of Loss described in d. (2) through d. (4) above results in a “specified cause of loss”, we will pay for the resulting loss or damage caused by the “specified cause of loss”. However, we will not pay for repair, replacement or modification of any items in d. (3) above to correct any deficiencies or change any features.

3. Newly Acquired Or Constructed Property

Paragraph A.5.a. **Newly Acquired Or Constructed Property** is deleted and replaced by the following:

a. Buildings

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

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

b. Your Business Personal Property:

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

- (1) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (2) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (3) Business personal property that you newly acquire, located at the described premises.

c. Limit of Insurance

The most we will pay for loss or damage under this Coverage Extension at each described premises is \$1,000,000.

d. Period of Coverage

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

- (1) This policy expires; or
- (2) 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as Covered Property; or
- (3) With respect to "computers", when specific insurance at the newly acquired premises is obtained; or
- (4) 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.

4. Outdoor Property

Paragraph **A.5.e. Outdoor Property**, is deleted and replaced by the following:

- a. You may extend the insurance provided by this Coverage Form to apply to the following outdoor property located on the described premises:
 - (1) Fences and retaining walls that are not a part of a building. The most we will pay in any one occurrence at each described premises is \$25,000.
 - (2) Outdoor radios, televisions, satellites, satellite dishes or other antennas, including their masts, towers and lead-in and support wiring. The most we will pay in any one occurrence at each described premises is \$25,000.
 - (3) Trees, shrubs, plants and lawns. This does not apply to "stock". The most we will pay in any one occurrence at each described premises is \$25,000, but not to exceed \$1,000 for any one item.

Debris removal expense is included in (1) through (3) above.

- b. Loss or damage covered by this Coverage Extension must be caused by or resulting from one 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.

5. Outdoor Signs

- a. We will pay for direct physical loss or damage to all outdoor signs at the described premises:

- (1) Owned by you; or
- (2) Owned by others in your care, custody or control.
- b. To the extent that coverage for outdoor signs is provided under this Coverage Extension, the provisions of **Property Not Covered** in the **Coverage** section do not apply.
- c. With respect to this Coverage Extension only, the **CAUSES OF LOSS – SPECIAL FORM**, Section **B. Exclusions**, is amended to delete all of the exclusions except for the following:
 - (1) 1.c.
 - (2) 1.d.
 - (3) 1.f.
 - (4) 2.d.(1)
 - (5) 2.d.(2)
 - (6) 2.d.(6)
 - (7) 2.h.
 - (8) 2.i.
 - (9) 2.m.
 - (10) 3.c.(4)
- d. Section **C. Limits Of Insurance**, is amended to show that the most we will pay for loss or damage to Outdoor Signs in any one occurrence at each described premises is \$25,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule. The amount we will pay under this Coverage Extension is in addition to the Limits of Insurance shown in the Declarations.

6. Pairs Or Sets

Paragraph **E.7. Valuation**, is amended to add the following:

- a. In case of total loss of any items that are part of a pair or set that is individually listed and described in the Declarations, we will pay the full Limit of Insurance shown in the Declarations for that pair or set.
- b. In case of loss to any part of a pair or set that is not individually listed and described in the Declarations, we may:
 - (1) Repair or replace any part to restore the pair or set to its value before the loss; or
 - (2) Pay the difference between the value of the pair or set before and after the loss.

7. Personal Effects And Property Of Others

Paragraph **A.5.b. Personal Effects And Property Of Others**, is deleted and replaced by the following:

- a. 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 of Coverage 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 (1) and (2) above in any one occurrence at each described premises is \$50,000.

 - (3) Personal property checked with you by your guests, customers, or “members” by “theft” or attempted “theft” within a checkroom on the described premises, subject to the following:
 - (a) Exclusion **B.2.i.** in the **CAUSES OF LOSS – SPECIAL FORM** does not apply to this Coverage Extension.
 - (b) The most we will pay for loss or damage for checkroom “theft” in any one occurrence at each described premises is \$50,000, subject to a maximum limit of \$25,000 any one item.
 - (c) A deductible of \$250 will apply to each occurrence.

(d) Personal Effects and Property Of Others is valued on the same basis as Your Business Personal Property, but we will not pay more than the amount for which you are legally liable.

b. Our payment for loss or damage to personal property of others will only be for the account of the owner of the property.

8. Property In Transit

a. In the **CAUSES OF LOSS - SPECIAL FORM**, Section F. **Additional Coverage Extensions**, Paragraph 1.c. **Property In Transit**, the most we will pay under this Coverage Extension is revised from \$5,000 to \$25,000, or the Limit Of Insurance shown in the Restaurant Enhancement Endorsement Supplemental Schedule.

b. The Deductible applicable to Your Business Personal Property applies to this Coverage Extension.

9. Property Off-premises

Paragraph **A.5.d. Property Off-premises**, is deleted and replaced by the following:

a. You may extend the insurance provided by this Coverage Form to apply to your Covered Property while away from the described premises, while:

(1) Temporarily at a location you do not own, lease or operate;

(2) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or

(3) At any fair, trade show or exhibition.

This Coverage Extension also applies to “computers” while such property is in the course of transit or is located at a premises you do not own, lease or operate for not more than 90 days.

b. This Coverage Extension does not apply to property:

(1) In or on a vehicle, except for “computers”; or

(2) 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.

c. With respect to this Coverage Extension only, Paragraph **A.2. Property Not Covered**, is amended to include:

(1) Property in storage away from the premises shown in the Declarations, except as provided in this Coverage Extension; and

(2) Property while on exhibition at fairs or on the premises of any national or international exposition, except as provided in this Coverage Extension.

d. The most we will pay for loss or damage in any one occurrence is \$25,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule.

e. The Deductible applicable to Your Business Personal Property applies to this Coverage Extension.

10. Sewers And Drains – Back Up

a. The Covered Causes of Loss are extended to include loss or damage caused by or resulting from water that backs up from a sewer or drain. Back up of sewers and drains means direct physical loss to Covered Property caused by water which backs up through sewers or drains or water which enters into and overflows from within a sump pump well, or other type of system designed to remove subsurface water which is drained from the foundation area.

b. With respect to this Coverage Extension only, the **CAUSES OF LOSS - SPECIAL FORM**, Paragraph **B.1.g. Water**, is amended to delete subparagraph (3).

c. The most we will pay for direct physical loss caused by back up of sewers and drains is \$100,000 in any one occurrence at each described premises, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule.

11. Tenant Glass

a. You may extend your Business Personal Property coverage to apply to loss or damage to building glass resulting from or caused by a Covered Cause of Loss.

- b. This Coverage Extension applies when you are a tenant and have a contractual responsibility to insure the building glass. However, we will not pay for loss or damage under this Coverage Extension when such contract also requires you to insure the building.
- c. Building glass is considered the glass that is part of the building or structure, including solar heating panels, glass building blocks, skylights, glass doors and windows and their encasement frames, alarm tape, lettering and ornamentation. It does not include art glass, half tone screens, lenses, memorial windows, mosaic art, rotogravure screens or any stained glass.

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

Paragraph **A.5.c. Valuable Papers And Records (Other Than Electronic Data)**, is deleted and replaced by the following:

- a. You may extend the insurance that applies to Your Business Personal Property to direct physical loss or damage caused by or resulting from a “specified cause of loss” or Collapse, to valuable papers and records that you own, or that are in your care, custody or control.
- b. We will pay the cost to research lost information on valuable papers and records for which duplicates do not exist.
- c. We will 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 of Your Business Personal Property and therefore coverage of such costs is not additional insurance.
- d. This Coverage Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under paragraph **n.** of **Property Not Covered**.
- e. With respect to this Coverage Extension only, the **CAUSES OF LOSS – SPECIAL FORM, Section B. Exclusions**, is amended to delete all of the exclusions except for the following:
 - (1) **B.1.c.**
 - (2) **B.1.d.**
 - (3) **B.1.f.**
 - (4) **B.2.f.**
 - (5) **B.2.g.**
 - (6) **B.3.**
- f. We will not pay for property held as samples or for delivery after sale or property in storage away from the premises shown in the Declarations.
- g. The most we will pay is \$50,000 in any one occurrence at each described premises, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule. Except as addressed in **c.** above, this Coverage Extension is an additional Limit of Insurance and not subject to the Limits of Insurance on the Declarations.

C. Coverage Extension, found in:

1. Paragraph **A.6.** of the **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM**

is re-titled as **Coverage Extensions** and amended to add the following Coverage Extensions. Unless specifically addressed herein, the Deductibles and “periods of restoration” that apply to these Coverage Extensions are those applicable to the described premises. Unless otherwise indicated, the amounts of insurance stated in the following Coverage Extensions apply in accordance with the terms of such coverages and are part of, not in addition to, the Limits of Insurance shown in the Declarations as applicable to the described premises.

1. Food Contamination

- a. If your business at the described premises is ordered closed by the Board of Health or any other governmental authority as a result of the discovery or suspicion of food contamination, we will pay:
 - (1) The actual loss of Business Income you sustain due to the necessary “suspension” of your “operations; and
 - (2) The following Extra Expenses:

- (a) To clean your equipment as required by the Board of Health or any other governmental authority;
 - (b) To replace food which is, or is suspected to be, contaminated;
 - (c) Necessary medical tests or vaccinations for your “employees”; and
 - (d) The cost of additional advertising to restore your reputation.
- b. This Coverage Extension for Business Income and the cost of additional advertising will begin twenty-four hours after you receive notice of closing from the Board of Health or any other governmental authority and will apply for a period of up to 90 consecutive days after such coverage begins.
 - c. Food contamination means an incidence of food poisoning to one or more of your patrons as a result of:
 - (1) Tainted food you purchased;
 - (2) Food which has been unintentionally stored, handled or prepared improperly; or
 - (3) A communicable disease transmitted through one or more of your “employees”.
 - d. We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority as a result of the discovery or suspicion of food contamination at the described premises.
 - e. The Deductible does not apply to this Coverage Extension.
 - f. The most we will pay in any one occurrence is:
 - (1) \$25,000 for Extra Expense; and
 - (2) \$25,000 for Business Income,
 unless higher Limits Of Insurance are shown in the Restaurant Enhancement Endorsement Supplemental Schedule

The limits we will pay under this coverage are in addition to the Limits of Insurance shown in the Declarations.

2. Utility Services – Time Element (Including Overhead Transmission Lines)

- a. Your Business Income and Extra Expense, as provided and limited in the applicable Coverage Form, is extended to apply to a “suspension” of “operations” at the described premises caused by an interruption in utility services to that premises.
- b. The interruption in utility services must result from direct physical loss by a Covered Cause of Loss to a utility service, not on the described premises.
- c. We will not pay for loss or damage to electronic data, including destruction or corruption of electronic data. Electronic data has the meaning described in paragraph n. of **Property Not Covered** in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**.
- d. Utility Services includes the following:
 - (1) Water supply services meaning pumping stations and water mains supplying water to the described premises;
 - (2) Communication supply services meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as communication transmission lines, optic fiber transmission lines, coaxial cables, microwave radio relays (except satellites), including overhead transmission lines; and
 - (3) Power supply services meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers; and
 - (e) Transmission lines, including overhead transmission lines.
- e. The “period of restoration” begins after the longest time period of the following:

- (1) 24 hours after the time of direct physical loss or damage to the off-premises property to which this Coverage Extension applies;
- (2) The “period of restoration” applicable to the described premises;
- (3) The “period of restoration” applicable to the Cause of Loss.

- f. The **CAUSES OF LOSS – SPECIAL FORM, Section B. Exclusions**, is amended to delete **e. Utility Services** to the extent that the exclusion would conflict with the provisions of this Coverage Extension.
- g. The most we will pay in any one occurrence at each described premises is \$100,000. The most we will pay in any one “named storm”, regardless of the number of described premises involved, is \$500,000, unless a higher Limit Of Insurance is shown in the Restaurant Enhancement Endorsement Supplemental Schedule.

3. Tips Included as Business Income

If ordinary payroll is covered by the Business Income coverage form(s) attached to this policy, your Business Income coverage is extended to apply to tip income of your employees:

- a. As reported to you by your employees; and
- b. Reported by you to the Internal Revenue Service in accordance with Internal Revenue regulations.

D. With respect to this endorsement only, the following Definitions are added:

- 1. “Computer” means:
 - a. Your programmable electronic equipment that is used to store, retrieve and process electronic data. It includes their component parts and dedicated air conditioning, fire suppression equipment and electrical equipment used exclusively in your “computer” “operations; and
 - b. Associated peripheral equipment that provides communication, including input and output functions such as printing or auxiliary functions such as electronic data transmission.

“Computer” does not mean electronic data and media.

- 2. “Counterfeit money” means an imitation of “money” that is intended to deceive and to be taken as genuine.
- 3. “Employee” means:
 - a. Any natural person:
 - (1) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to “theft” or any dishonest act committed by the “employee”;
 - (2) Who you compensate directly by salary, wages or commissions; and
 - (3) Who you have the right to direct and control while performing services for you;
 - b. Any natural person who is furnished temporarily to you:
 - (1) To substitute for a permanent “employee” as defined in Paragraph a., who is on leave; or
 - (2) To meet seasonal or short-term work load conditions;
 while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the described premises.
 - c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph b.;
 - d. Any natural person who is a former “employee”, partner, “member”, “manager”, director or trustee retained as a consultant while performing services for you;
 - e. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the described premises.
 - f. Any “employee” of an entity merged or consolidated with you prior to the effective date of this policy; or
 - g. Any of your “managers”, directors or trustees while:
 - (1) Performing acts within the scope of the usual duties of an “employee”; or

- (2)** Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

“Employee” does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraphs **a.** through **g.** above.

- 4.** “Employee Benefit Plan” means any welfare or pension benefit plan shown in the Declarations that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

With regard to covered “Employee Benefit Plans” the definition of “employee” is extended to include any natural person who is:

- a.** A trustee, officer, “employee”, administrator, or a “manager”, except an administrator or a “manager” who is an independent contractor; and
 - b.** Your director or trustee while that person is handling funds or other property of any “Employee Benefit Plan”.
- 5.** “Forgery” means the signing of the name of another person or organization with intent to deceive.
“Forgery” does not mean a signature which consists in whole or in part of one’s own name signed with or without authority, in any capacity, for any person.
- 6.** “Manager” means a person serving in a directorial capacity for a limited liability company.
- 7.** “Member” means an owner of a limited liability company represented by its membership interest, who also may serve as a “manager”.
- 8.** “Money” means currency, coins and bank notes in current use and having a face value; and traveler’s checks, register checks and money orders held for sale to the public. The value will be at its face value or its equivalent (if from a country other than the United States of America) based on exchange rates in effect when the loss occurred.
- 9.** “Named Storm” means a weather-related event involving wind that has been assigned a formal name by the National Hurricane Center, National Weather Service, World Meteorological Association, or any other generally recognized scientific or meteorological association that provides formal names for public use and reference. A “named storm” includes hurricanes, tropical depressions, and tropical storms. A “named storm” begins at the time a Watch or Warning is issued by any of the aforementioned entities for the area in which the affected premises are located, and ends 72 hours after the termination of the last Watch or Warning issued for that area by the same entity.
- 10.** “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 to you;
but does not include “money”.
- 11.** “Theft” means the unlawful taking of property to the deprivation of the Insured.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN THE SAME.

EQUIPMENT BREAKDOWN COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL PROPERTY COVERAGE PART

A. ADDITIONAL COVERED CAUSE OF LOSS

The following is added to the Covered Causes of Loss:

Equipment Breakdown, meaning a "breakdown" to "covered equipment".

B. PROPERTY NOT COVERED

With regard to the coverage provided by this Endorsement only, A.2.b. in the Building and Personal Property Coverage Form is replaced with:

- b.** Animals.

C. EQUIPMENT BREAKDOWN ADDITIONAL COVERAGES

The following Additional Coverages apply to loss or damage caused by or resulting from a "breakdown" to "covered equipment".

1. Business Income and Extra Expense

If Business Income and/ or Extra Expense coverage is provided in the Coverage Form, it is extended to cover loss or expense resulting from a "breakdown" to "covered equipment".

2. Expediting Expenses

With respect to your damaged Covered Property, we will pay for reasonable extra costs you incur to:

- a.** Make temporary repairs; and
- b.** Expedite permanent repairs or replacement.

Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. The most we will pay for expediting expenses is \$25,000 or the Coverage Limit shown in the Schedule, whichever is greater.

3. Pollutant Clean Up and Removal

We will pay for the additional costs you incur to repair or replace Covered Property which has been damaged, contaminated or polluted by a "hazardous substance". This includes the additional expenses you incur to clean up or dispose of such property.

Additional expenses means expenses you incur that you would not have been incurred if no "hazardous substance" had been involved.

The most we will pay for loss or damage under this Additional Coverage including any:

- a.** Spoilage of "perishable goods";
 - b.** Actual loss of Business Income you sustain; and
 - c.** Necessary Extra Expense you incur;
- is \$25,000 or the Coverage Limit shown in the Schedule, whichever is greater.

The coverage provided by this Additional Coverage does not include loss to "perishable goods" due to contamination from the release of a refrigerant.

4. Spoilage

- a. We will pay for loss of "perishable goods" due to spoilage.
- b. We will also pay for loss of "perishable goods" due to contamination from the release of a refrigerant, including but not limited to ammonia.
- c. We will pay any necessary expenses you incur to reduce the amount of loss under this Additional Coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this Additional Coverage.
- d. If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "breakdown", less any discounts and expenses you otherwise would have had. Otherwise, our payment will be determined in accordance with the Loss Payment condition.

The most we will pay for loss or damage under this Additional Coverage is \$25,000 or the Coverage Limit shown in the Schedule, whichever is greater.

5. Electronic Data

- a. We will pay for your cost to research, replace and restore data, including programs and operating systems, that are lost or corrupted due to a "breakdown" to "covered equipment".
- b. We will also pay for loss or damage to "media" caused by a "breakdown".

The most we will pay for loss or damage under this Additional Coverage is \$25,000 or the Coverage Limit shown in the Schedule, whichever is greater.

6. Demolition and Increased Cost of Construction

If a "breakdown" to "covered equipment" damages a building that is Covered Property that is insured at replacement cost, and the loss is increased by the enforcement of any laws or ordinances that are in force at the time of the "breakdown" and which regulate the demolition, construction, repair or use of the building or structure, we will pay the increased cost to:

- a. Repair or reconstruct damaged portions of that Building property;
- b. Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required; and/or
- c. Demolish and clear the site of undamaged parts;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law that:

- a. Requires the demolition of parts of the same property not damaged by such "breakdown";
- b. Regulates the construction or repair of buildings, or establishes zoning, or land use requirements at the described premises; and
- c. Is in force at the time of loss.

However, 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.

We will not pay more than the amount you actually spend to repair, rebuild or reconstruct the building or to demolish and clear the site of the described premises.

We will not pay for any of the following types of expenses that you incur arising out of the enforcement of building, zoning or land use ordinance or law:

- a. Fines;
- b. Your liability to a third party;
- c. Any increased costs you incur to clean up or dispose of Covered Property that has been contaminated by a "hazardous substance"; or
- d. Any increased cost of construction until the building is actually repaired, reconstructed or remodeled.

The most we will pay for loss or damage under this Additional Coverage is \$25,000 or the Coverage Limit shown in the Schedule, whichever is greater.

7. Service Interruption

You may extend coverage provided under this endorsement for Business Income, Extra Expense and Spoilage to apply to loss or damage caused by or resulting from a "breakdown" to equipment that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

Coverage for Service Interruption will begin 72 hours after the time the "breakdown" causes the interruption of the utility service, unless a different time is shown for Service Interruption-Waiting Period in the Equipment Breakdown Schedule.

C. EQUIPMENT BREAKDOWN EXCLUSIONS

1. All Exclusions and Limitations apply except:

a. In the Causes of Loss-- Special Form:

(1) Exclusions B.2.a., B.2.d.(6) and B.2.e.; and

(2) Limitations C.1.a. and C.1.b.

b. In the Causes of Loss-- Broad Form: Exclusions B.2.a., B.2.b. and B.2.c.

c. In the Causes of Loss-- Basic Form: Exclusions B.2.a., B.2.d. and B.2.e.

2. The Exclusions and Limitations are modified as follows:

a. The following is added to Exclusion B.1.g.(1) of the applicable Causes of Loss form:

However, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and Deductible.

b. If the Causes of Loss-- Basic Form or Causes of Loss-- Broad Form applies, the following is added to Exclusion B.2.:

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if loss or damage from a "breakdown" results, we will pay for that resulting loss or damage.

c. If the Causes of Loss-- Special Form applies, as respects this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following:

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

d. We will not pay under this endorsement loss or damage caused by or resulting from:

(1) Your failure to use all reasonable means to protect the "perishable goods" from damage following a "breakdown";

(2) Any of the following tests:

(a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or

(b) An insulation breakdown test of any type of electrical equipment.

e. With respect to the Service Interruption and Spoilage Additional Coverages, we will also not pay for loss or damage caused by or resulting from: fire; lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; or collapse.

D. SPECIAL DEDUCTIBLE

As respects Equipment Breakdown Coverage, when a Special Deductible is shown in the Schedule, Paragraph D. DEDUCTIBLE is deleted and replaced with the following:

1. Property Damage, Business Income and Extra Expense Coverages

The Property Damage Coverages Deductibles apply to all loss or damage covered by this endorsement, with the exception of those coverages subject to the Business Income and Extra Expenses Coverages Deductibles. If deductibles vary by type of "covered equipment" and more than one type of equipment is involved in any one "breakdown", only the highest deductible will apply.

2. Application of Special Deductibles

a. Dollar Deductibles

We will not pay for loss or damage resulting from any one "breakdown" until the amount of loss or damage exceeds the applicable dollar deductible shown in the Schedule. We will then pay the amount of loss or damage in excess of the applicable dollar deductible, up to the applicable Limit of Insurance.

b. Time Deductible

If a time deductible is shown in the Schedule, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "breakdown". If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

c. 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 form that is part of this policy) that would have been earned had no "breakdown" occurred during the period of interruption of business divided by the number of working days in that period. But, no reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "breakdown", or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to all locations included in the valuation of the loss.

The number indicated in the Schedule shall be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

E. CONDITIONS

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

1. New Generation

If "covered equipment" is covered on a replacement cost basis and such equipment requires replacement due to a "breakdown", 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 such equipment with like kind and quality.

2. Jurisdictional Inspections

a. We agree to provide pressure vessel certificate-of-operation engineering services where:

- (1) The certificate-of-operation is required by state, city or provincial law; and
- (2) The state, city or provincial law permits inspections by insurance company employees.

b. If we receive notification of a pressure vessel certificate-of-operation inspection due date less than 30 (thirty) days prior to the expiration of the certificate-of-operation, we will not be responsible for:

- (1) Any fine or other penalty that may be assessed; or
- (2) Any liability that may arise due to the fact that the inspection was not performed prior to the certificate-of-operation due date.

c. Certificate-of-operation engineering services will not be provided for any location, other than in the United States of America, Puerto Rico or Canada.

3. Suspension

a. Whenever any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the coverage provided by this endorsement.

b. We will deliver or mail a written notice of suspension to your last known address or the address where the "covered equipment" is located.

c. Once suspended in this way, your coverage can be reinstated only by written notice from us.

- d. If we suspend your coverage, you will get a pro rata refund of premium for that "covered equipment". But the suspension will be effective even if we have not yet made or offered a refund.

4. Payment Limits

The most we will pay for loss or damage under this endorsement is the applicable Limit of Insurance shown in the Commercial Property Declarations or Equipment Breakdown Coverage Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

F. DEFINITIONS

The following are added to the Definitions.

1. "Breakdown"

a. "Breakdown" means direct physical loss or damage caused by or resulting from:

- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (2) Artificially generated electric current, including electric arcing, that disturbs 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;
- (4) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (5) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

b. "Breakdown" does not mean:

- (1) Cracking of any part on an internal combustion gas turbine exposed to the products of combustion;
- (2) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
- (3) Damage to any vacuum tube, gas tube, or brush;
- (4) Defects, erasures, errors, limitations or viruses in "computer equipment", data, "media" and/or programs including the inability to recognize and process any date or time or provide instructions to "covered equipment". However, if a "breakdown" ensues, we will pay the ensuing loss or damage not otherwise excluded;
- (5) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (6) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification; or
- (7) The functioning of any safety or protective device.

c. If an initial "breakdown" causes other "breakdowns", all will be considered one "breakdown". All "breakdowns" that manifest themselves at the same time and are the result of the same cause will also be considered one "breakdown".

2. "Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including "media" and peripherals used in conjunction with such equipment, other than computers used primarily to control or operate "covered equipment".

3. "Covered Equipment"

a. "Covered equipment" means any Covered Property that is:

- (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents. For any boiler or fired vessel, the furnace of the "covered equipment" and the gas passages from there to the atmosphere will be considered as outside the "covered equipment";
- (2) Communication equipment and "computer equipment";
- (3) Fiber optic cable; or
- (4) Any other electrical or mechanical equipment that is used in the generation, transmission or utilization of energy.

b. "Covered equipment" does not mean any:

- (1) Structure, foundation, cabinet, compartment or air supported structure or building containing the "covered equipment" or part of the "covered equipment" including penstock, draft tube or well casing;
- (2) Insulating or refractory material;
- (3) Pressure vessels and piping that are buried below ground and require excavation of materials to inspect, remove, repair or replace, or piping forming a part of a sprinkler system;
- (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;

- (5) Vehicles, unless such vehicle is stationary, permanently installed at the described premises and receives electrical power from an external power supplier;
 - (6) Dragline, power shovel, excavation or construction equipment; or
 - (7) Equipment or any part of equipment manufactured by you for sale.
4. "Hazardous substances" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.
 5. "Media" means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment.
 6. "Perishable Goods" means personal property maintained under controlled conditions for its preservation, and that is susceptible to loss or damage if the controlled conditions change.

All other terms and conditions remain unchanged.

CHUBB®

**Policy Number
MCRD38195785**

**COMMERCIAL PROPERTY COVERAGE PART
SUPPLEMENTAL DECLARATIONS**

Illinois Union Insurance Company

Named Insured CENTURION RESTAURANT GROUP LLC

Effective Date: 03-30-19
12:01 A.M., Standard Time

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

COINSURANCE CONTRACT

Agent No. Z03347

Item 1. Business Description: RESTAURANT

Item 2. Premises Described: See Schedule of Locations

Item 3. \$500 Deductible unless otherwise indicated.

Item 4. Coverage Provided

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
013	001	TENANTS IMPR & BETT FIRE-RESISTIVE	\$ 1,500,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 1,500,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
013	001	BUSINESS PERS PROP FIRE-RESISTIVE	\$ 400,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 400,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
013	001	BUS INC OTHER THAN RENTAL FIRE-RESISTIVE	\$ 350,000	SPECIAL	

Other Provisions

Agreed Value: \$ 350,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: 1/4 Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

Item 5. Forms and Endorsements

Form(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

CHUBB®**Policy Number
MCRD38195785****COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS****Illinois Union Insurance Company**

Named Insured CENTURION RESTAURANT GROUP LLC

Effective Date: 03-30-19
12:01 A.M., Standard Time

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

COINSURANCE CONTRACT

Agent No. Z03347

Item 4. Coverage Provided (applies only when a limit is shown below)

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
001	001	BUSINESS PERS PROP MASONRY NON-COMBUSTIBLE	\$ 50,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 50,000 **Expires:** 03/20/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
004	001	BUILDING JOISTED MASONRY	\$ 1,189,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 1,189,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
004	001	BUSINESS PERS PROP JOISTED MASONRY	\$ 400,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 400,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
004	001	BUS INC OTHER THAN RENTAL JOISTED MASONRY	\$ 450,000	SPECIAL	

Other Provisions

Agreed Value: \$ 450,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: 1/4 Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions WIND

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

FA-24634 (01/08)

CHUBB®**Policy Number
MCRD38195785****COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS****Illinois Union Insurance Company**Named Insured **CENTURION RESTAURANT GROUP LLC**Effective Date: **03-30-19
12:01 A.M., Standard Time**Agent Name **INNOVATIVE COVERAGE CONCEPTS LLC****COINSURANCE CONTRACT**Agent No. **Z03347****Item 4. Coverage Provided (applies only when a limit is shown below)**

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
005	001	TENANTS IMPR & BETT MASONRY NON-COMBUSTIBLE	\$ 1,500,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 1,500,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
005	001	BUSINESS PERS PROP MASONRY NON-COMBUSTIBLE	\$ 400,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 400,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
005	001	BUS INC OTHER THAN RENTAL MASONRY NON-COMBUSTIBLE	\$ 450,000	SPECIAL	

Other Provisions

Agreed Value: \$ 450,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: 1/4 Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
006	001	TENANTS IMPR & BETT MASONRY NON-COMBUSTIBLE	\$ 1,500,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 1,500,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

FA-24634 (01/08)

CHUBB®**Policy Number
MCRD38195785****COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS****Illinois Union Insurance Company**Named Insured **CENTURION RESTAURANT GROUP LLC**Effective Date: **03-30-19
12:01 A.M., Standard Time**Agent Name **INNOVATIVE COVERAGE CONCEPTS LLC****COINSURANCE CONTRACT**Agent No. **Z03347****Item 4. Coverage Provided (applies only when a limit is shown below)**

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
006	001	BUSINESS PERS PROP MASONRY NON-COMBUSTIBLE	\$ 400,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 400,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
006	001	BUS INC OTHER THAN RENTAL MASONRY NON-COMBUSTIBLE	\$ 350,000	SPECIAL	

Other Provisions

Agreed Value: \$ 350,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: 1/4 Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
007	001	TENANTS IMPR & BETT MASONRY NON-COMBUSTIBLE	\$ 1,500,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 1,500,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
007	001	BUSINESS PERS PROP MASONRY NON-COMBUSTIBLE	\$ 400,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 400,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

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FA-24634 (01/08)

CHUBB®**Policy Number
MCRD38195785****COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS****Illinois Union Insurance Company**Named Insured **CENTURION RESTAURANT GROUP LLC**Effective Date: **03-30-19
12:01 A.M., Standard Time**Agent Name **INNOVATIVE COVERAGE CONCEPTS LLC****COINSURANCE CONTRACT**Agent No. **Z03347****Item 4. Coverage Provided (applies only when a limit is shown below)**

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
007	001	BUS INC OTHER THAN RENTAL MASONRY NON-COMBUSTIBLE	\$ 350,000	SPECIAL	

Other Provisions

Agreed Value: \$ 350,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: 1/4 Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
008	001	TENANTS IMPR & BETT MASONRY NON-COMBUSTIBLE	\$ 1,500,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 1,500,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
008	001	BUSINESS PERS PROP MASONRY NON-COMBUSTIBLE	\$ 400,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 400,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
008	001	BUS INC OTHER THAN RENTAL MASONRY NON-COMBUSTIBLE	\$ 350,000	SPECIAL	

Other Provisions

Agreed Value: \$ 350,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: 1/4 Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions WIND

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FA-24634 (01/08)

CHUBB®**Policy Number
MCRD38195785****COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS****Illinois Union Insurance Company**Named Insured **CENTURION RESTAURANT GROUP LLC**Effective Date: **03-30-19
12:01 A.M., Standard Time**Agent Name **INNOVATIVE COVERAGE CONCEPTS LLC****COINSURANCE CONTRACT**Agent No. **Z03347****Item 4. Coverage Provided (applies only when a limit is shown below)**

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
009	001	TENANTS IMPR & BETT MASONRY NON-COMBUSTIBLE	\$ 1,500,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 1,500,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
009	001	BUSINESS PERS PROP MASONRY NON-COMBUSTIBLE	\$ 400,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 400,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
009	001	BUS INC OTHER THAN RENTAL MASONRY NON-COMBUSTIBLE	\$ 350,000	SPECIAL	

Other Provisions

Agreed Value: \$ 350,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: 1/4 Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
010	001	TENANTS IMPR & BETT MASONRY NON-COMBUSTIBLE	\$ 500,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 500,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

FA-24634 (01/08)

CHUBB®

**Policy Number
MCRD38195785**

**COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS**

Illinois Union Insurance Company

Named Insured **CENTURION RESTAURANT GROUP LLC**

Effective Date: **03-30-19**
12:01 A.M., Standard Time

Agent Name **INNOVATIVE COVERAGE CONCEPTS LLC**

COINSURANCE CONTRACT

Agent No. **Z03347**

Item 4. Coverage Provided (applies only when a limit is shown below)

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
010	001	BUSINESS PERS PROP MASONRY NON-COMBUSTIBLE	\$ 75,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 75,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
010	001	BUS INC OTHER THAN RENTAL MASONRY NON-COMBUSTIBLE	\$ 350,000	SPECIAL	

Other Provisions

Agreed Value: \$ 350,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: 1/4 Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
011	001	TENANTS IMPR & BETT FIRE-RESISTIVE	\$ 500,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 500,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
011	001	BUSINESS PERS PROP FIRE-RESISTIVE	\$ 75,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 75,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

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FA-24634 (01/08)

CHUBB®**Policy Number
MCRD38195785****COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS****Illinois Union Insurance Company**Named Insured **CENTURION RESTAURANT GROUP LLC**Effective Date: **03-30-19
12:01 A.M., Standard Time**Agent Name **INNOVATIVE COVERAGE CONCEPTS LLC****COINSURANCE CONTRACT**Agent No. **Z03347****Item 4. Coverage Provided (applies only when a limit is shown below)**

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
011	001	BUS INC OTHER THAN RENTAL FIRE-RESISTIVE	\$ 350,000	SPECIAL	

Other Provisions

Agreed Value: \$ 350,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: 1/4 Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
014	001	TENANTS IMPR & BETT JOISTED MASONRY	\$ 500,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 500,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
014	001	BUSINESS PERS PROP JOISTED MASONRY	\$ 75,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 75,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions WIND

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
014	001	BUS INC OTHER THAN RENTAL JOISTED MASONRY	\$ 350,000	SPECIAL	

Other Provisions

Agreed Value: \$ 350,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: 1/4 Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions WIND

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CHUBB®**Policy Number
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EXTENSION OF SUPPLEMENTAL DECLARATIONS****Illinois Union Insurance Company**Named Insured **CENTURION RESTAURANT GROUP LLC**Effective Date: **03-30-19
12:01 A.M., Standard Time**Agent Name **INNOVATIVE COVERAGE CONCEPTS LLC****COINSURANCE CONTRACT**Agent No. **Z03347****Item 4. Coverage Provided (applies only when a limit is shown below)**

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
003	001	TENANTS IMPR & BETT MASONRY NON-COMBUSTIBLE	\$ 1,500,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 1,500,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
003	001	BUSINESS PERS PROP MASONRY NON-COMBUSTIBLE	\$ 400,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 400,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
003	001	BUS INC OTHER THAN RENTAL MASONRY NON-COMBUSTIBLE	\$ 350,000	SPECIAL	

Other Provisions

Agreed Value: \$ 350,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: 1/4 Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
012	001	TENANTS IMPR & BETT MOD.FIRE-RESISTIVE	\$ 1,500,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 1,500,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions

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FA-24634 (01/08)

CHUBB®**Policy Number
MCRD38195785****COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS****Illinois Union Insurance Company**

Named Insured CENTURION RESTAURANT GROUP LLC

Effective Date: 03-30-19
12:01 A.M., Standard Time

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

COINSURANCE CONTRACT

Agent No. Z03347

Item 4. Coverage Provided (applies only when a limit is shown below)

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
012	001	BUSINESS PERS PROP MOD. FIRE-RESISTIVE	\$ 400,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 400,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
012	001	BUS INC OTHER THAN RENTAL MOD. FIRE-RESISTIVE	\$ 350,000	SPECIAL	

Other Provisions

Agreed Value: \$ 350,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: 1/4 Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
002	001	TENANTS IMPR & BETT MASONRY NON-COMBUSTIBLE	\$ 1,500,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 1,500,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
002	001	BUSINESS PERS PROP MASONRY NON-COMBUSTIBLE	\$ 400,000	SPECIAL	90

Other Provisions

Agreed Value: \$ 400,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %
 Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:
Deductible: \$ 5,000 Earthquake Deductible: % Exceptions

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FA-24634 (01/08)

CHUBB®

**Policy Number
MCRD38195785**

**COMMERCIAL PROPERTY COVERAGE PART
EXTENSION OF SUPPLEMENTAL DECLARATIONS**

Illinois Union Insurance Company

Named Insured **CENTURION RESTAURANT GROUP LLC**

Effective Date: **03-30-19
12:01 A.M., Standard Time**

Agent Name **INNOVATIVE COVERAGE CONCEPTS LLC**

COINSURANCE CONTRACT

Agent No. **Z03347**

Item 4. Coverage Provided (applies only when a limit is shown below)

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
002	001	BUS INC OTHER THAN RENTAL MASONRY NON-COMBUSTIBLE	\$ 350,000	SPECIAL	

Other Provisions

Agreed Value: \$ 350,000 **Expires:** 03/30/20 **Replacement Cost**

Business Income Indemnity: Monthly Limit: 1/4 Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.

Other Provisions

Agreed Value: **Expires:** **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.

Other Provisions

Agreed Value: **Expires:** **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.

Other Provisions

Agreed Value: **Expires:** **Replacement Cost**

Business Income Indemnity: Monthly Limit: Period: Maximum Inflation Guard: %

Reporting Extended Days BI Media

Extension of Recovery Period: Months Wind/Hail Deductible:

Deductible: Earthquake Deductible: % Exceptions

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The **Legal Action Against Us** Condition is replaced by the following:
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 three years after the date on which the direct physical loss or damage occurred.
- C.** Paragraph **d.** of the **Replacement Cost Optional Coverage** is replaced by the following:
Replacement Cost Optional Coverage
- 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:
 - (a)** On the described premises; or
 - (b)** At some other location in the State of North Carolina; and
 - (2)** Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.
- With respect to tenants' improvements and betterments, if covered, 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 Condition of the applicable Coverage Form; and
- (4)** We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
The above Provision, **d.**, does not apply to the Standard Property Policy **CP 00 99**.
- D.** The **Appraisal Loss** Condition is replaced by the following:
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. You and we must notify the other of the appraiser selected within 20 days of the written demand for appraisal. The two appraisers will select an umpire. If the appraisers do not agree on the selection of an umpire within 15 days, they must request selection of an umpire 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 the appraised value of the property or amount of loss. If you make a written demand for an appraisal of the loss, each party will:
- a.** Pay its chosen appraiser; and
 - b.** Bear the other expenses of the appraisal and umpire equally.

E. The following condition is added:

Time Period For Performance Of Contractual Obligations

Whenever a state of disaster is proclaimed for the state of North Carolina or for an area within this state in accordance with state law, or whenever a major disaster is declared for North Carolina or an area within this state by the President of the United States under the Stafford Act or its successors, the following provisions apply:

1. If the Covered Property that has sustained loss or damage is located within the geographic area designated in the disaster declaration or proclamation, the time period for your submission of a proof of loss (as set forth in the Duties In The Event Of Loss Or Damage Condition or similar provision in this Coverage Part or in an endorsement attached to this Coverage Part) shall be extended by a time period not exceeding the earlier of:
 - a. The expiration of the disaster proclamation or declaration and all renewals of the proclamation; or
 - b. The expiration of the Insurance Commissioner's order declaring action for the specific disaster, as determined by the Insurance Commissioner.

2. Except as otherwise provided in Paragraph 1., the following applies if you or we reside in or are located in the geographic area designated in the disaster declaration or proclamation:

If this Coverage Part or an endorsement attached to this Coverage Part imposes a time limitation on you or us for a performance of:

- a. A premium or debt payment; or
- b. Any other duty or any act (including transmittal of information),

under the terms of this Coverage Part and such performance would be required during the time period prior to the expiration of the Insurance Commissioner's order declaring action for the specific disaster, as determined by the Insurance Commissioner, your performance and our performance is subject to a deferral period of 30 days. The Commissioner of Insurance may extend such deferral period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GEORGIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The following exclusion and related provisions are added to Paragraph **B.2. Exclusions** in the Causes Of Loss Forms and to any Coverage Form or policy to which a Causes Of Loss Form is not attached:
- 1.** We will not pay for loss or damage arising out of any act committed:
 - a.** By or at the direction of any insured; and
 - b.** With the intent to cause a loss.
 - 2.** However, this exclusion will not apply to deny coverage to an innocent co-insured, provided the loss:
 - a.** Is otherwise covered under this Coverage Part; and
 - b.** Arose out of an act of family violence by an insured against whom a family violence complaint is brought for such act.
 - 3.** If we pay a claim pursuant to Paragraph **B.2.**, our payment to the insured is limited to that insured's legal interest in the property less any payments we first made to a mortgageholder or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.
- C.** The following explanation is added with respect to application of the Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria and the Limited Coverage of the same title:
- With respect to the portion of Covered Property that would still have required repair or replacement had there been no "fungus", wet or dry rot or bacteria, this Exclusion and Limited Coverage will not serve to limit the amount of recovery for such repair or replacement.
- However, the Exclusion and Limited Coverage shall continue to apply to:
- 1.** The cost to treat, contain, remove or dispose of "fungus", wet rot, dry rot or bacteria beyond that which is required to repair or replace Covered Property;
 - 2.** The cost of testing as described in the Limited Coverage; and
 - 3.** Any increase in loss under Business Income and/or Extra Expense Forms resulting from **1.** or **2.** above.
- Regardless of whether the Exclusion and Limited Coverage apply to a loss, the Limit of Insurance on Covered Property is not increased. The maximum recoverable, for the total of the cost to repair or replace Covered Property and any additional covered cost to treat, contain, remove, dispose of or test for "fungus", wet or dry rot or bacteria, is the applicable Limit of Insurance on the affected Covered Property.

- D. This Paragraph, D., applies to the following:
BUILDING AND PERSONAL PROPERTY
COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE
FORM
CONDOMINIUM COMMERCIAL UNIT OWNERS
COVERAGE FORM
BUILDERS RISK COVERAGE FORM
STANDARD PROPERTY POLICY

Paragraph a. of the **Loss Payment** Condition is replaced by the following:

- a. In the event of loss or damage covered by this Coverage Form, at our option we will either:
- (1) Repair, rebuild or replace the property with other property of like kind and quality, or pay the cost of such repair, rebuilding or replacement, as limited by Paragraph b. of this Loss Payment Condition and any other applicable policy provisions, such as the Limit of Insurance provision, the Valuation Condition or any provision which amends or supersedes the Valuation Condition; or

- (2) Take all or any part of the property at an agreed or appraised value.

With respect to Paragraph a.(1), this policy covers only the cost of repair, rebuilding or replacement. Such cost does not include recovery of, and therefore this policy does not pay any compensation for, an actual or perceived reduction in the market value of any property. But if the property that has sustained loss or damage is subject to an endorsement which explicitly addresses market value, then that endorsement will apply to such property in accordance with its terms.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part is replaced by the term Policy.

B. Legal Action Against Us

1. The **Legal Action Against Us** Commercial Property Condition is replaced by the following, except as provided in **B.2.** below:

Legal Action Against Us

- a.** Except as provided in Paragraph **b.**, 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 two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.
- b.** With respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area as defined by the Texas Insurance Code, no one may bring a legal action against us under this Coverage Part unless:
- (1) There has been full compliance with all the terms of this Coverage Part; and
 - (2) The action is brought within the earlier of the following:
 - (a) Two years and one day from the date we accept or reject the claim; or
 - (b) Three years and one day from the date of the loss or damage that is the subject of the claim.
2. Paragraph **B.1.** above does not apply to the Legal Action Against Us Loss Condition in the Legal Liability Coverage Form **CP 00 40**.

C. Appraisal

1. Except as provided in **C.2.** below, the **Appraisal** Loss Condition in the:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM;
BUILDERS RISK COVERAGE FORM;
CONDOMINIUM ASSOCIATION COVERAGE FORM;
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM;
EXTRA EXPENSE COVERAGE FORM;
LEASEHOLD INTEREST COVERAGE FORM;
TOBACCO SALES WAREHOUSES COVERAGE FORM; and
STANDARD PROPERTY POLICY

is replaced by the following:

Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding as to the amount of loss. 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:

- a.** You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Property Condition; and
- b.** We will still retain our right to deny the claim.

2. The Appraisal Condition in the:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM; and
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

is replaced by the following:

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 and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, 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 and the amount of loss.

If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding as to the amount of loss. 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:

- a. You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Property Condition; and
- b. We will still retain our right to deny the claim.

D. Under the Duties In The Event Of Loss Or Damage Loss Condition:

- a. Paragraph a.(2) is replaced by the following:

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved. However, with respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area as defined by the Texas Insurance Code, any claim must be filed with us not later than one year after the date of the loss or damage that is the subject of the claim, except that a claim may be filed after the first anniversary of the date of the loss or damage for good cause shown by the person filing the claim.

- b. The provision requiring signed, sworn proof of loss is replaced by the following:

Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 91 days after our request. We will supply you with the necessary forms.

- E. Under the Loss Payment Condition, the provisions pertaining to notice of our intentions and the time period for payment of claims are deleted and replaced by the following:

1. Claims Handling

- a. Within 15 days after we receive written notice of claim, we will:

- (1) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
- (2) Begin any investigation of the claim; and
- (3) Request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.

- b. We will notify you in writing as to whether:

- (1) The claim or part of the claim will be paid;
- (2) The claim or part of the claim has been denied, and inform you of the reasons for denial;
- (3) More information is necessary; or
- (4) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in b.(1) through b.(4) above, within:

- (1) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
- (2) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

2. We will pay for covered loss or damage within five business days after:

- a. We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms of this Coverage Part, we will make payment within five business days after the date you have complied with such terms.

The following paragraphs are added:

3. Catastrophe Claims

If a claim results from a weather related catastrophe or a major natural disaster, the claim handling and claim payment deadlines described in **E.1.** and **E.2.** above are extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which:

- a. Is declared a disaster under the Texas Disaster Act of 1975; or
- b. Is determined to be a catastrophe by the State Board of Insurance.

4. The term "business day", as used in the Loss Payment Condition, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

F. The following is added to the **Valuation** Loss Condition:

Chapter 862 – Subsection 862.053. Policy A Liquidated Demand. A fire insurance policy, in case of total loss by fire of property insured, shall be held and considered to be a liquidated demand against the Company for the full amount of such policy. This subsection does not apply to personal property.

G. Paragraphs **d.** and **f.** of the **Mortgageholders** Additional Condition are replaced by the following:

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 91 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.

f. If this policy is cancelled, we will give the mortgageholder named in the Declarations written notice of cancellation.

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

- (1) 14 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.

If you cancel the policy, we will give the mortgageholder notice of cancellation to be effective on the date stated in the notice. The date of cancellation cannot be before the 10th day after the date we mail the notice.

H. The following is added to Paragraph **D.1.** in the **Duties In The Event Of Accident, Claim Or Suit** Loss Condition in the Legal Liability Coverage Form:

We will notify the first Named Insured in writing of:

- 1. An initial offer to settle a claim made or "suit" brought against the insured under this coverage. The notice will be given not later than the 10th day after the date on which the offer is made.
- 2. Any settlement of a claim made or "suit" brought against the insured under this coverage. The notice will be given not later than the 30th day after the date of the settlement.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable
ALL	ALL	P-1
ALL	ALL	P-5
Describe Any "P-9":		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. The following is added to the Commercial Property Conditions:

Protective Safeguards

As a condition of this insurance, you are required to:

1. Maintain the protective safeguards listed in the Schedule, and over which you have control, in complete working order;
2. Actively engage and maintain in the "on" position at all times any automatic fire alarm or other automatic system listed in the Schedule; and
3. Notify us if you know of any suspension of or impairment in any protective safeguard listed in the Schedule.

However, if part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing 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.

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
- Mortgageholders Errors And Omissions Coverage Form
- Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you failed to comply with any condition set forth in Paragraph **A.**

C. 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
 - (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-5" Automatic Commercial Cooking Exhaust And Extinguishing System installed on cooking appliances and having the following components:

- a. Hood;
- b. Grease removal device;
- c. Duct system; and
- d. Wet chemical fire extinguishing equipment.

"P-9", the protective system described in the Schedule.

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.

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 micro-waves.

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

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

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

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act 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.

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

This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.

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

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

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

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

c. Faulty, inadequate or defective:

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

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

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

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

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

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

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

b. Leasehold Interest Coverage Form

(1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

- (a) Your cancelling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph **B.1.a.**, Ordinance Or Law;
- (b) Paragraph **B.1.c.**, Governmental Action;
- (c) Paragraph **B.1.d.**, Nuclear Hazard;
- (d) Paragraph **B.1.e.**, Utility Services; and
- (e) Paragraph **B.1.f.**, War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

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

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

(b) Nuclear Hazard

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

5. Additional Exclusion

The following provisions apply only to the specified property.

LOSS OR DAMAGE TO PRODUCTS

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

C. Limitations

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

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

However, this limitation does not apply to:

 - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
 - e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
 - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

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 roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

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

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

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

3. Glass

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

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

G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following: 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).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL EXCLUSION

This endorsement modifies insurance provided under the following:

- CAUSES OF LOSS – BASIC FORM
- CAUSES OF LOSS – BROAD FORM ‘
- CAUSES OF LOSS – SPECIAL FORM
- STANDARD PROPERTY POLICY

SCHEDULE

Premises Number	Building Number
See Schedule	
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. The following is added to the **Exclusions** section and is therefore **not** a Covered Cause of Loss:

WINDSTORM OR HAIL

We will not pay for loss or damage:

1. Caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; or
2. Caused by rain, snow, sand or dust, whether driven by wind or not, if that loss or damage would not have occurred but for the Windstorm or Hail.

But if Windstorm or Hail results in a cause of loss other than rain, snow, sand or dust, and that resulting cause of loss is a Covered Cause of Loss, we will pay for the loss or damage caused by such Covered Cause of Loss. For example, if the Windstorm or Hail damages a heating system and fire results, the loss or damage attributable to the fire is covered subject to any other applicable policy provisions.

- B.** The terms of the Windstorm Or Hail exclusion, 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 policy.
- C.** Under **Additional Coverage – Collapse**, in the Causes Of Loss – Broad Form, Windstorm or Hail is deleted from Paragraph **2.a**.
- D.** In the Causes Of Loss – Special Form, Windstorm or Hail is deleted from the "specified causes of loss".
- E.** Under **Additional Coverage Extensions – Property In Transit**, in the Causes Of Loss – Special Form, Windstorm or Hail is deleted from Paragraph **b.(1)**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

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

SCHEDULE

Prem. No.	Bldg. No.	Description of Property
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Loss Payee (Name & Address)

Provisions Applicable:	Loss Payable	Provisions Applicable Lender's Loss Payable	Contract of Sale
<p>A. When this endorsement is attached to the STANDARD PROPERTY POLICY CP 00 99 the term Coverage Part in this endorsement is replaced by the term Policy.</p> <p>The following is added to the LOSS PAYMENT Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:</p> <p>B. LOSS PAYABLE</p> <p>For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:</p> <ol style="list-style-type: none"> 1. Adjust losses with you; and 2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear. <p>C. LENDER'S LOSS PAYABLE</p> <ol style="list-style-type: none"> 1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as: 			<ol style="list-style-type: none"> a. Warehouse receipts; b. A contract for deed; c. Bills of lading; d. Financing statements; or e. Mortgages, deeds of trust, or security agreements. <ol style="list-style-type: none"> 2. For Covered Property in which both you and a Loss Payee have an insurable interest: <ol style="list-style-type: none"> a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear. b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property. c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss

Payee will still have the right to receive loss payment if the Loss Payee:

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

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

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

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

D. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TENTATIVE RATE

The rates used in the development of the premium for the Commercial Property Coverage Part are tentative. We will adjust the premium effective from the inception date of this Coverage Part once the rates are promulgated. If this is a renewal of a policy previously issued by us, we will adjust the premium effective from the renewal date of this Coverage Part once the rates are promulgated.

POLICY NUMBER: MCRD38195785

EQUIPMENT BREAKDOWN SCHEDULE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL PROPERTY COVERAGE PART

Equipment Breakdown Coverage is subject to the Coverage Limits shown in the Declarations for "Real Property" and "Personal Property", except as specifically shown below.

Equipment Breakdown Coverage applies to all locations covered on the policy, unless otherwise specified.

Additional Coverages	Coverage Limits
Business Income and Extra Expense	Follows Commercial Property Coverage
Expediting Expense	\$100,000
Pollutant Clean Up and Removal	\$100,000
Spoilage	\$100,000
Electronic Data	\$100,000
Demolition and Increased Cost of Construction	\$100,000
Service Interruption	Included with Business Income, Extra Expense and/or Spoilage

Special Deductibles

The Property Deductible shown in the Declarations applies unless a special Deductible is shown below.

Combined, All Coverages

Property Damage Coverages

Business Income and Extra Expense Coverages hours

Other Conditions

All other terms and conditions remain unchanged.

CHUBB®Policy Number
MCRD38195785**Commercial General Liability Coverage Part
Supplemental Declarations****Illinois Union Insurance Company**

Named Insured CENTURION RESTAURANT GROUP LLC

Effective Date: 03-30-2019
12:01 A.M. Standard Time

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

Agent No. Z03347

Item 1. Business Description: RESTAURANT**Item 2. Limits of Insurance**

Coverage	Limit of Liability	
Aggregate Limits of Liability	\$ 2,000,000	Products/Completed Operations Aggregate
	\$ 2,000,000	General Aggregate (other than Products/Completed Operations)
Coverage A – Bodily Injury and Property Damage Liability	\$ 1,000,000	any one occurrence subject to the Products/Completed Operations and General Aggregate Limits of Liability
Damage To Premises Rented To You	\$ 1,000,000	any one premises subject to the Coverage A occurrence and the General Aggregate Limits of Liability
Coverage B - Personal and Advertising Injury Liability	\$ 1,000,000	any one person or organization subject to the General Aggregate Limits of Liability
Coverage C – Medical Payments	\$ 5,000	any one person subject to the Coverage A occurrence and the General Aggregate Limits of Liability

Item 3. Retroactive Date (Not Applicable in New York)

This Insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" which occurs before the Retroactive Date, if any, shown here:

(Enter Date or "None" if no Retroactive Date applies)

Item 4. Form of Business and Location of Premises

Forms of Business: LIMITED LIABILITY COMPANY

Location of All Premises You Own, Rent or Occupy:

See Schedule of Location**Item 5. Form and Endorsements**

Form(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements**Item 6. Premiums**

Coverage Part Premium: \$ 114,416.00

Other Premium:

Total Premium: \$ 114,416.00

Audit Period (If Applicable) Waived Annually Semi-Annually Quarterly Monthly

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD

CHUBB®**Policy Number****MCRD38195785****LIQUOR LIABILITY COVERAGE PART DECLARATIONS****Illinois Union Insurance Company**

Named Insured CENTURION RESTAURANT GROUP LLC

Effective Date: 03-30-19
12:01 A.M. Standard Time

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC

Agent No. Z03347

Item 1. Limits of Insurance

Aggregate Limit \$ 2,000,000

Each Common Cause Limit \$ 1,000,000

Item 2. Retroactive Date (CG 00 34 only) (Not Applicable in New York)

Section I of this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" which occurs before the Retroactive Date, if any, shown here:

(Enter Date or "None" if no Retroactive Date applies)

Item 3. Business Description and Location of Premises

Forms of Business:

LIMITED LIABILITY COMPANY

Business Description:

RESTAURANT

Location of All Premises You Own, Rent Or Occupy:

See Schedule of Locations**Item 4. Premium**

Code No.	Premium Basis	Premises/Operations	
Location	Exposure	Rate	Premium
Classification: See Commercial General Liability Coverage Schedule		Products/Completed Operations	
		Rate	Premium

Item 5. Schedule of Forms and Endorsements

Form(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

CHUBB®**Policy Number**
MCRD38195785**COMMERCIAL GENERAL LIABILITY COVERAGE SCHEDULE****Illinois Union Insurance Company**

Named Insured CENTURION RESTAURANT GROUP LLC

Effective Date: 03-30-19
12:01 A.M., Standard TimeAgent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347**Item 5. Location of Premises**Location of All Premises You Own, Rent or Occupy:
See Schedule of Locations

Code No.	Premium Basis	Premises/Operations	
06601			
Location	ALL	Exposure	25
		Rate	Premium
Classification: EMPLOYERS NON-OWNED 0-25 EMPLOYEES			\$ 625.00
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
06619			
Location	ALL	Exposure	0
		Rate	Premium
Classification: IF ANY OR MINIMUM PREMIUM			\$ 280.00
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
73800			
Location	ALL	Exposure	
		Rate	Premium
Classification: DAMAGE TO PREMISES RENTED TO OTHERS			
		Products/Completed Operations	
		Rate	Premium
			\$ 1,125.00
Code No.	Premium Basis	Premises/Operations	
92100			
Location	ALL	Exposure	1
		Rate	Premium
Classification: Employee Benefits Liability		.035	\$ 233.00 MP
		Products/Completed Operations	
		Rate	Premium

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Effective Date: 03-30-19
12:01 A.M., Standard TimeAgent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347**Item 5. Location of Premises**Location of All Premises You Own, Rent or Occupy:
See Schedule of Locations

Code No.	Premium Basis	Premises/Operations	
16910	Gross Sales		
Location	013/001	Exposure	\$4,682,913
		Rate	Premium
		1.177	\$ 5,512.00
Classification:		Products/Completed Operations	
RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITH TABLE SERVICE		Rate	Premium
		.020	\$ 94.00
Code No.	Premium Basis	Premises/Operations	
58161	Gross Sales		
Location	013/001	Exposure	\$842,924
		Rate	Premium
		.851	\$ 717.00
Classification:		Products/Completed Operations	
RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
61226	Square Feet		
Location	001/001	Exposure	5,000
		Rate	Premium
		187.933	\$ 940.00
Classification:		Products/Completed Operations	
BUILDINGS OR PREMISES - OFFICE - OTHER THAN NOT-FOR-PROFIT (PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT)		Rate	Premium
			INCL
Code No.	Premium Basis	Premises/Operations	
16910	Gross Sales		
Location	004/001	Exposure	\$5,163,658
		Rate	Premium
		3.225	\$ 16,653.00
Classification:		Products/Completed Operations	
RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITH TABLE SERVICE		Rate	Premium
		.231	\$ 1,193.00

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Effective Date: 03-30-19
12:01 A.M., Standard TimeAgent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347**Item 5. Location of Premises**Location of All Premises You Own, Rent or Occupy:
See Schedule of Locations

Code No.	Premium Basis	Premises/Operations	
58161	Gross Sales		
Location	004/001	Exposure	\$929,459
Classification: RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES		Rate	1.093
		Premium	\$ 1,016.00
		Products/Completed Operations	
		Rate	
		Premium	
Code No.	Premium Basis	Premises/Operations	
16910	Gross Sales		
Location	005/001	Exposure	\$4,597,658
Classification: RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITH TABLE SERVICE		Rate	3.225
		Premium	\$ 14,827.00
		Products/Completed Operations	
		Rate	
		Premium	
			.231
			\$ 1,062.00
Code No.	Premium Basis	Premises/Operations	
58161	Gross Sales		
Location	005/001	Exposure	\$827,579
Classification: RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES		Rate	1.093
		Premium	\$ 905.00
		Products/Completed Operations	
		Rate	
		Premium	
Code No.	Premium Basis	Premises/Operations	
16910	Gross Sales		
Location	006/001	Exposure	\$3,458,681
Classification: RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITH TABLE SERVICE		Rate	2.010
		Premium	\$ 6,952.00
		Products/Completed Operations	
		Rate	
		Premium	
			.231
			\$ 799.00

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Effective Date: 03-30-19
12:01 A.M., Standard TimeAgent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347**Item 5. Location of Premises**Location of All Premises You Own, Rent or Occupy:
See Schedule of Locations

Code No.	Premium Basis	Premises/Operations	
58161	Gross Sales		
Location	006/001	Exposure	\$1,729,340
Classification: RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES		Rate	1.093
		Premium	\$ 1,890.00
		Products/Completed Operations	
		Rate	
		Premium	
Code No.	Premium Basis	Premises/Operations	
16910	Gross Sales		
Location	007/001	Exposure	\$3,262,682
Classification: RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITH TABLE SERVICE		Rate	2.252
		Premium	\$ 7,348.00
		Products/Completed Operations	
		Rate	
		Premium	\$ 754.00
Code No.	Premium Basis	Premises/Operations	
58161	Gross Sales		
Location	007/001	Exposure	\$587,283
Classification: RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES		Rate	1.093
		Premium	\$ 642.00
		Products/Completed Operations	
		Rate	
		Premium	
Code No.	Premium Basis	Premises/Operations	
16910	Gross Sales		
Location	008/001	Exposure	\$4,400,942
Classification: RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITH TABLE SERVICE		Rate	3.225
		Premium	\$ 14,193.00
		Products/Completed Operations	
		Rate	
		Premium	\$ 1,017.00

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Effective Date: 03-30-19
12:01 A.M., Standard TimeAgent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347**Item 5. Location of Premises**Location of All Premises You Own, Rent or Occupy:
See Schedule of Locations

Code No.	Premium Basis	Premises/Operations	
58161	Gross Sales		
Location	008/001	Exposure	\$792,170
Classification: RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES		Rate	1.093
		Premium	\$ 866.00
		Products/Completed Operations	
		Rate	
		Premium	
Code No.	Premium Basis	Premises/Operations	
16910	Gross Sales		
Location	009/001	Exposure	\$3,814,524
Classification: RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITH TABLE SERVICE		Rate	3.225
		Premium	\$ 12,302.00
		Products/Completed Operations	
		Rate	
		Premium	.231
			\$ 881.00
Code No.	Premium Basis	Premises/Operations	
58161	Gross Sales		
Location	009/001	Exposure	\$686,615
Classification: RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES		Rate	1.093
		Premium	\$ 750.00
		Products/Completed Operations	
		Rate	
		Premium	
Code No.	Premium Basis	Premises/Operations	
16911	Gross Sales		
Location	010/001	Exposure	\$1,865,965
Classification: RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITHOUT TABLE SERVICE		Rate	2.707
		Premium	\$ 5,051.00
		Products/Completed Operations	
		Rate	
		Premium	.363
			\$ 677.00

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Named Insured CENTURION RESTAURANT GROUP LLC

Effective Date: 03-30-19
12:01 A.M., Standard TimeAgent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347**Item 5. Location of Premises**Location of All Premises You Own, Rent or Occupy:
See Schedule of Locations

Code No.	Premium Basis	Premises/Operations	
58161	Gross Sales		
Location	010/001	Exposure	\$116,665
		Rate	Premium
Classification: RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES		1.093	\$ 128.00
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
16911	Gross Sales		
Location	011/001	Exposure	\$1,005,000
		Rate	Premium
Classification: RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITHOUT TABLE SERVICE		2.707	\$ 2,721.00
		Products/Completed Operations	
		Rate	Premium
		.363	\$ 365.00
Code No.	Premium Basis	Premises/Operations	
58161	Gross Sales		
Location	011/001	Exposure	\$65,000
		Rate	Premium
Classification: RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES		1.093	\$ 71.00
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
16911	Gross Sales		
Location	014/001	Exposure	\$1,280,000
		Rate	Premium
Classification: RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITHOUT TABLE SERVICE		2.707	\$ 3,465.00
		Products/Completed Operations	
		Rate	Premium
		.363	\$ 465.00

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Effective Date: 03-30-19
12:01 A.M., Standard TimeAgent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347**Item 5. Location of Premises**Location of All Premises You Own, Rent or Occupy:
See Schedule of Locations

Code No.	Premium Basis	Premises/Operations	
58161	Gross Sales		
Location	014/001	Exposure	\$80,000
Classification: RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES		Rate	Premium
		1.093	\$ 87.00
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
16910	Gross Sales		
Location	003/001	Exposure	\$2,464,138
Classification: RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITH TABLE SERVICE		Rate	Premium
		1.274	\$ 3,139.00
		Products/Completed Operations	
		Rate	Premium
		.034	\$ 84.00
Code No.	Premium Basis	Premises/Operations	
58161	Gross Sales		
Location	003/001	Exposure	\$443,545
Classification: RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES		Rate	Premium
		.964	\$ 428.00
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
16910	Gross Sales		
Location	012/001	Exposure	\$2,332,710
Classification: RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITH TABLE SERVICE		Rate	Premium
		.411	\$ 959.00
		Products/Completed Operations	
		Rate	Premium
		.036	\$ 84.00

CHUBB®

**Policy Number
MCRD38195785**

COMMERCIAL GENERAL LIABILITY COVERAGE SCHEDULE

Illinois Union Insurance Company

Named Insured CENTURION RESTAURANT GROUP LLC

Effective Date: 03-30-19
12:01 A.M., Standard Time

Agent Name INNOVATIVE COVERAGE CONCEPTS LLC
Agent No. Z03347

Item 5. Location of Premises

Location of All Premises You Own, Rent or Occupy:
See Schedule of Locations

Code No.	Premium Basis	Premises/Operations	
58161	Gross Sales		
Location	012/001	Exposure	\$419,888
		Rate	Premium
Classification: RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES		.998	\$ 419.00
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
16910	Gross Sales		
Location	002/001	Exposure	\$2,446,942
		Rate	Premium
Classification: RESTAURANTS - WITH SALE OF ALCOHOLIC BEVERAGES THAT ARE LESS THAN 30% OF THE ANNUAL RECEIPTS OF THE RESTAURANTS - WITH TABLE SERVICE		.859	\$ 2,102.00
		Products/Completed Operations	
		Rate	Premium
		.068	\$ 166.00
Code No.	Premium Basis	Premises/Operations	
58161	Gross Sales		
Location	002/001	Exposure	\$440,450
		Rate	Premium
Classification: RESTAURANTS, TAVERNS, HOTELS, MOTELS, INCLUDING PACKAGE SALES		.975	\$ 429.00
		Products/Completed Operations	
		Rate	Premium
Code No.	Premium Basis	Premises/Operations	
Location		Exposure	
		Rate	Premium
Classification:			
		Products/Completed Operations	
		Rate	Premium

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

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

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

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

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

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

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

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

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "bodily injury" or "property damage" occurs during the policy period; and

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

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

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

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

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

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

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

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

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

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

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

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

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

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

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

g. Aircraft, Auto Or Watercraft

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

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

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

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

i. War

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

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

j. Damage To Property

"Property damage" to:

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

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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

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

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

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

k. Damage To Your Product

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

l. Damage To Your Work

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

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

m. Damage To Impaired Property Or Property Not Physically Injured

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

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

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

n. Recall Of Products, Work Or Impaired Property

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

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

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

o. Personal And Advertising Injury

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

p. Electronic Data

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

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

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

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

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

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

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

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

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

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

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

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

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

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

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

b. Material Published With Knowledge Of Falsity

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

c. Material Published Prior To Policy Period

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

d. Criminal Acts

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

e. Contractual Liability

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

f. Breach Of Contract

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

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

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

h. Wrong Description Of Prices

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

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

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

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

j. Insureds In Media And Internet Type Businesses

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

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

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

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

k. Electronic Chatrooms Or Bulletin Boards

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

l. Unauthorized Use Of Another's Name Or Product

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

m. Pollution

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

n. Pollution-related

Any loss, cost or expense arising out of any:

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

o. War

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

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

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

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

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

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

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

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

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

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

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

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

c. Injury On Normally Occupied Premises

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

d. Workers' Compensation And Similar Laws

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

e. Athletics Activities

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

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

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

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

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

These payments will not reduce the limits of insurance.

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

- a.** The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b.** This insurance applies to such liability assumed by the insured;
- c.** The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d.** The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e.** The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f.** The indemnitee:

(1) Agrees in writing to:

- (a)** Cooperate with us in the investigation, settlement or defense of the "suit";
- (b)** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c)** Notify any other insurer whose coverage is available to the indemnitee; and
- (d)** Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a)** Obtain records and other information related to the "suit"; and
- (b)** Conduct and control the defense of the indemnitee in such "suit".

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

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

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

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

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

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

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage **C**;
 - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage **B**.

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

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

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

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

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

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

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

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

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

4. Other Insurance

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

a. Primary Insurance

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

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.

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

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

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

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

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

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

c. Method Of Sharing

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

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

5. Premium Audit

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

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

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

6. Representations

By accepting this policy, you agree:

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

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

7. Separation Of Insureds

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

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

8. Transfer Of Rights Of Recovery Against Others To Us

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

9. When We Do Not Renew

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

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

SECTION V – DEFINITIONS

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- 2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

- 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

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

- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

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

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

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

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

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

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

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

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

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

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

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

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

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

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

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

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

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

16. "Products-completed operations hazard":

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

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

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

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

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

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

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

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

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

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

21. "Your product":

a. Means:

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

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2)** The providing of or failure to provide warnings or instructions.
- c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

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

b. Includes:

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

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.
 - 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 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.
 - 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 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
3. 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.

RESTAURANT GENERAL LIABILITY EXTRA ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

1. EXPECTED OR INTENDED – ADDITIONAL EXCEPTION FOR PROPERTY DAMAGE

It is agreed that **SECTION I – COVERAGE A.**, paragraph **2. Exclusions a. Expected or Intended** is deleted and 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.

2. NON OWNED WATERCRAFT

It is agreed that **SECTION I – COVERAGE A.** paragraph **2.** of **Exclusion g.(2)** is deleted and replaced by the following:

(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;

This provision applies to any person, who with your consent, either uses or is responsible for the use of a watercraft.

It is agreed that the following is added to paragraph 4. of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

c. Non Owned Watercraft

Notwithstanding paragraphs **a.**, **b.** and **c.** above, with respect to “bodily injury” or “property damage” to a watercraft you do not own to which this insurance applies, this insurance is excess over any other valid and collectible insurance available to the insured whether primary, excess, or contingent.

3. PROPERTY SOLD OR ABANDONED BY YOU

It is agreed that **SECTION I – COVERAGE A.** paragraph **2. Exclusion j.(2)** is deleted and replaced by the following:

- (2) Premises you sell, give away, or abandon, if the “property damage” arises out of any part of those premises, and occurred from conditions that were known by you or should have reasonably been known by you, at the time you transferred or abandoned the property.

4. DAMAGE TO PREMISES RENTED TO YOU

- a. It is agreed that **SECTION I – COVERAGE A.** the last paragraph of **2. Exclusions** is deleted and replaced by the following:

Exclusions c. through n. does not apply to “property damage” to premises while rented to you or temporarily occupied by you with the permission of the owner resulting from:

- (1) fire, lightning, explosion, smoke or leaks from automatic fire protective systems; or
- (2) a resident.

- b. It is agreed that paragraph 6. of **SECTION III – LIMITS OF INSURANCE** is deleted and replaced by the following:

6. Subject to 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 temporarily occupied by you with the permission of the owner resulting from caused by:

- a. fire, lightning, explosion, smoke or leaks from automatic fire protective systems, or any combination thereof; or
- b. a resident.

5. BROAD NAMED INSURED

It is agreed that **SECTION II - WHO IS AN INSURED** is amended to include the following:

Any corporation organized under the laws of the United States of America (including any state thereof, its territories or possessions, or Canada (including any province thereof) will qualify as a Named Insured if there is no similar insurance available to that organization, provided that one or more Named Insureds shown in the Declarations has, at the inception of the policy period, an ownership interest in such organization of more than 50%.

6. KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM OR SUIT

It is agreed that the following is added to paragraph 2. of **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

- e. Notice given by or on behalf of the insured, the injured person or any other claimant to a licensed agent of ours with particulars sufficient to identify the insured shall be deemed notice to us.
- f. Knowledge of an “occurrence” or offense by an agent or “employee” of the insured will not constitute knowledge by the insured, unless:
- (1) You, if you are an individual;
 - (2) A partner or member if you are a partnership or joint venture;
 - (3) An officer or director if you are an entity other than a partnership, joint venture or limited liability company;
 - (4) A member or manager if you are a limited liability company; or
 - (5) An insurance manager, risk manager or other “employee” you designate prior to loss to give notice to us.
- knows about such “occurrence” or offense.
- g. Failure of an agent or “employee” of the insured, other than:
- (1) You, if you are an individual;
 - (2) A partner or member if you are a partnership or joint venture;
 - (3) An officer or director if you are an entity other than a partnership, joint venture or limited liability company;
 - (4) A member or manager if you are a limited liability company; or

(5) An insurance manager, risk manager or other "employee" you designate prior to loss to give notice to us, to notify us of an "occurrence" or offense that such person knows about will not affect the insurance afforded to you.

- h. If a claim or loss does not reasonably appear to involve this insurance, but it later develops into a claim or loss to which this insurance applies, the failure to report it to us will not violate this condition, provided the insured gives us immediate notice as soon as the insured is aware that this insurance may apply to such loss or claim.

7. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS OR PRIOR OCCURRENCES

The following is added to Condition 6. **Representations** of **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

Failure to disclose all hazards or prior "occurrences" or offenses existing as of the inception date of this Coverage Part shall not prejudice the coverage afforded under this Coverage Part, provided such failure to disclose all hazards or prior "occurrences" or offenses is unintentional.

8. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

Condition 8. **Transfer of Rights of Recovery Against Others To Us** of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended by adding the following:

We will waive the rights of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the insured has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

9. SECTION II - WHO IS AN INSURED is amended to include the following as insureds

LESSOR OF LEASED EQUIPMENT

Any person or organization from whom you lease equipment when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an insured only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

No such person or organization is an insured under this section:

- a. Upon expiration or termination of their contract or agreement with you for such leased equipment ends.
- b. For any "bodily injury" or "property damage" caused by an "occurrence" which takes place after expiration or termination of their contract or agreement with you.
- c. For any "personal and advertising injury" caused by an "offense" which takes place after expiration or termination of their contract or agreement with you.

MANAGERS OR LESSORS OF PREMISES

Any person or organization from whom you lease premises when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an insured only with respect to liability arising out of your ownership, maintenance or use of that part of the premises leased to you.

No such person or organization is an insured under this section for any:

- a. For "bodily injury" or "property damage" caused by an "occurrence" which takes place after you cease to be a tenant in that premises.

- b. Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

VENDORS

Any person or organization (referred to below as vendor) with whom you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

No such person or organization is an insured under this section for any:

- a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement, except to the extent the vendor would be liable for damages for such "bodily injury" or "property damage" in the absence of the contract or agreement;
- b. Express warranty unauthorized by you;
- c. Physical or chemical change in the product made intentionally by the vendor;
- d. Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- e. Failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (1) The exceptions contained in Sub-paragraphs d. or f. above; or
 - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

Further, no person or organization is an insured from whom you have acquired "your product", or any ingredient, part or container, entering into, accompanying or containing "your product."

OWNERS, LESSEES OR CONTRACTORS

Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured 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
- b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for such person or organization.

No such person or organization is an insured under this section:

- a. when your operations for such person or organization are completed.
- b. For "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; and
- (2) Supervisory, inspection, architectural or engineering activities.

c. For “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.

ADDITIONAL INSUREDS – BY CONTRACT, AGREEMENT OR PERMIT

Any person or organization is an insured with whom you are required to add as an additional insured to this policy pursuant to a written contract, written agreement, or permit that is:

- a. currently in effect or becoming effective during the term of this policy; and
- b. executed prior to the “bodily injury”, “property damage”, “personal and advertising injury”.

Such person or organization is an insured only:

- a. with respect to liability caused by your negligent acts or omissions at or from:
 - (1) Premises you own, rent, lease or occupy, or
 - (2) Your ongoing operations performed for the additional insured at the job indicated by written contract or written agreement.
- b. to the minimum extent such contract or agreement requires the person or organization to be afforded status as an **insured**.

No such person or organization is an insured under this section for any:

- c. “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 site 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 on or at the same project.
- d. “Bodily injury”, “property damage”, “personal and advertising injury” caused by the rendering of or failure to render any professional services.

It is agreed that the following is added to **SECTION III – LIMITS OF INSURANCE**.

Subject to 4. or 5. above, the most we will pay for damages, to which this insurance applies, for the additional insured is the lesser of the applicable limit of insurance:

- a. specified in the written contract, written agreement or permit; or
- b. shown in the Declarations of this policy.

The limits of insurance specified in the written contract, written agreement or permit are inclusive of, not in addition to and do not increase the limits of insurance shown in the Declarations.

It is agreed that the following is added to paragraph 4. of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

Regardless of whether other insurance is available to an additional insured on a primary basis, this insurance will be primary and noncontributory if a written contract between you and the additional insured specifically requires that this insurance be primary.

10. EXTENDED DEFINITION OF “BODILY INJURY”

The definition of “bodily injury” in **SECTION V – DEFINITIONS** paragraph **3.** is replaced by the following:

“Bodily injury” means bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from any of these at any time.

11. EXTENDED DEFINITION OF “PERSONAL AND ADVERTISING INJURY”

The definition of “personal and advertising injury” in **SECTION V – DEFINITIONS** paragraph **14.** is amended to include the additional offense of abuse of process.

All other terms and conditions of this policy remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** With regard to liability for Bodily Injury, Property Damage and Personal And Advertising Injury, unless we are prejudiced by the insured's or your failure to comply with the requirement, no provision of this Coverage Part requiring you or any insured to give notice of "occurrence", claim or "suit", or forward demands, notices, summonses or legal papers in connection with a claim or "suit" will bar coverage under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES – EXPERIENCE RATING MODIFICATION

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
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
- RAILROAD PROTECTIVE LIABILITY COVERAGE PART

SCHEDULE

Rating Date:
(If no date is entered, the Rating Date is the effective date of the policy.)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The rates for this insurance are subject to modification as of the Rating Date as shown in the Schedule, and if this policy is written for three years, the next two anniversary dates of the Rating Date. In each case the modification is to be in accordance with the Manual Rules and General Liability Experience Rating Plan approved for Texas and in effect as of the respective dates.



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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

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

Damages arising out of:

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

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

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

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

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

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to:

"Bodily injury" to:

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

This exclusion applies:

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

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

This insurance does not apply to:

"Personal and advertising injury" to:

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

This exclusion applies:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION WITH A BUILDING HEATING, COOLING AND DEHUMIDIFYING EQUIPMENT EXCEPTION AND A HOSTILE FIRE EXCEPTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to:

- (a) "Bodily injury" if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured 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; or
- (b) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:
- (i) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or

- (ii) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

- (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".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**
- 2. Exclusions**
- This insurance does not apply to:
- Fungi Or Bacteria**
- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
 - b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.
- This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.
- B. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**
- 2. Exclusions**
- This insurance does not apply to:
- Fungi Or Bacteria**
- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
 - b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.
- C. The following definition is added to the Definitions Section:**
- "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF 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. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

2. "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:

a. 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

b. 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 injury or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST 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:

Silica Or Silica-Related Dust

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

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:

Silica Or Silica-Related Dust

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

C. The following definitions are added to the Definitions Section:

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

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:

All Restaurant Locations

(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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED LOCATION(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Location(s):

All Restaurant Locations

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

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section **I** – Coverage **A**, and for all medical expenses caused by accidents under Section **I** – Coverage **C**, which can be attributed only to operations at a single designated "location" shown in the Schedule above:
 - 1.** A separate Designated Location General Aggregate Limit applies to each designated "location", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 - 2.** The Designated Location General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage **C** regardless of the number of:
 - a.** Insureds;
 - b.** Claims made or "suits" brought; or
 - c.** Persons or organizations making claims or bringing "suits".
 - 3.** Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Designated Location General Aggregate Limit for that designated "location". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Location General Aggregate Limit for any other designated "location" shown in the Schedule above.
 - 4.** The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Location General Aggregate Limit.

- B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage **A**, and for all medical expenses caused by accidents under Section I – Coverage **C**, which cannot be attributed only to operations at a single designated "location" shown in the Schedule above:
1. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
 2. Such payments shall not reduce any Designated Location General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Location General Aggregate Limit.
- D.** For the purposes of this endorsement, the **Definitions** Section is amended by the addition of the following definition:
- "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
- E.** The provisions of Section III – Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES – 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 to 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.

POLICY NUMBER: MCRD38195785

EXCLUSION -- ASBESTOS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM
FARM COVERAGE FORM
LIQUOR LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
POLLUTION LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK**

This insurance does not apply to any loss, demand, claim or "suit" arising out of or related in any way to asbestos or asbestos-containing materials.

Authorized Agent

NON-OWNED AND RENTED AUTO LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

Coverage	Limit of Insurance	Premium
Non-Ownership Liability	\$ 1,000,000	\$ 625
Rented Auto Liability	\$ 1,000,000	\$ 280

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

COVERAGE

If a Limit of Insurance and premium is shown in the Schedule, we will pay all sums an insured legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" which occurs during the policy period and results from: the maintenance or use of a "rented auto" by you or your employees in the course of your business; and/or the use of any "non-owned auto" in your business by any person other than you.

We have the right and duty to defend any "suit" asking for these damages. However, we have no duty to defend "suits" for "bodily injury" or "property damage" not covered by this endorsement. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Limit of Insurance shown in the Schedule or in the declarations as applicable to this endorsement has been exhausted by payment of judgements or settlements.

EXCLUSIONS

With respect to the insurance provided by this endorsement:

1. The COVERAGE A (Section 1.) exclusions a, b, d, and i and the Nuclear Liability Exclusion (Broad Form) apply to this endorsement. All other exclusions in Coverage A are deleted. The following additional exclusions apply to this endorsement only:

- a. Bodily injury:

- (1) To an employee of the insured arising out of and in the course of employment by the insured; or
- (2) To the spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

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

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:
- (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.
- c. "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
- (1) That are, or that are contained in any property that is:
 - (a) Being transported or towed by, or handled for movement into, onto or from the covered "auto";
 - (b) Otherwise in the course of transit; or
 - (c) Being stored, disposed of, treated or processed in or upon the covered "auto";
 - (2) Before the pollutants or any property in which the pollutants are contained are moved from the place where they are accepted by the insured for movement into or onto the covered "auto"; or
 - (3) After the pollutants or any property in which the pollutants are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the insured.

Any loss, cost or expense arising out of any demand or request that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any pollutants. This includes demands, directives, complaints, "suits" or requests brought by any governmental entity or by any person or group of persons.

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

Paragraph C.(1)(c) does not apply to fuels, lubricants, fluids, exhaust gases or other similar pollutants that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the "auto" or its parts, if:

- (1) The pollutants escape or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such pollutants; and
- (2) The "bodily injury" or "property damage" does not arise out of the operation of any "mobile equipment."

Paragraphs (2) and (3) of this exclusion do not apply if:

- (1) the pollutants or any property in which the pollutants are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) the discharge, dispersal, release or escape of the pollutants is caused directly by such upset, overturn or damage.

2. WHO IS AN INSURED (SECTION II) is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

- a. You;
- b. Any other person using a "rented auto" with your permission;
- c. With respect to a "non-owned auto," any partner or executive officer of yours, but only while such "non-owned auto" is being used in your business;
- d. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under a., b., or c. above. None of the following is an insured:

- a. Any person engaged in the business of his or her employer with respect to "bodily injury" to any co-employee of such person injured in the course of employment;
- b. Any partner or executive officer with respect to 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 "rented 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 with respect to the conduct of any current or past partnership or joint venture that is not shown as an Insured in the Declarations.

3. LIMITS OF INSURANCE (Section III) is replaced by the following:

Regardless of the number of "autos," insureds, premiums paid, claims made or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the applicable Limit of Insurance shown in the Schedule.

All "bodily injury" and "property damage" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident."

4. Paragraph 4b of Section IV---COMMERCIAL GENERAL LIABILITY CONDITION is replaced by the following:

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is covering the auto as an owned auto.

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

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

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limit of Insurance shown in the Schedule.

5. The following additional definitions apply:

"Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage."

"Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos."

"Non-owned auto" means any "auto" you do not own, lease, hire or borrow which is used in connection with your business. However, if you are a partnership a "non-owned auto" does not include any auto owned by any partner.

"Rented auto" means any "auto" you lease, hire, or borrow. This does not include any "auto" you lease, hire, or borrow from any of your employees or members of their households, or from any partner or executive officer of yours.

Authorized Agent

POLICY NUMBER: MCRD38195785

EXCLUSION – LEAD

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement amends all insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY FORM
FARM COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
PRODUCTS/ COMPLETED OPERATIONS LIABILITY COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK**

**THE COMBINED POLICY – SECTION II
COMMERCIAL FARM POLICY – SECTION II
FARMERS PACKAGE POLICY – SECTION II**

This insurance does not apply to, and we shall have no duty of any kind with respect to, any injury, damage, expense, cost, loss, liability or legal obligation arising out of or allegedly arising out of or in any way related to the toxic properties of lead or lead-containing products, materials or substances.

This exclusion applies to all forms of lead, including but not limited to solid, liquid, vapor and fumes.

This exclusion applies, but is not limited, to any injury, damage, expense, cost, loss, liability or legal obligation to test for, monitor, abate, remove, or take any other remedial action with respect to lead or lead-containing products, materials or substances.

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion, do not also exclude coverage for lead-related injury, damage, expense, cost, loss, liability or legal obligation.

Authorized Agent

LD-4S35 (Ed. 6/92) Ptd. In U.S.A.

EMPLOYEE BENEFITS LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.

Limits Of Insurance

Each Claim Limit	\$ 1,000,000
Aggregate Limit	\$ 1,000,000
Retroactive Date	03-09-2018

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

INSURING AGREEMENT

We will pay under this endorsement those sums that the insured becomes legally obligated to pay as damages because of a claim or "suit" brought by any employee, former employee, or their beneficiaries or legal representatives in connection with any error, omission, or breach of duty in the "administration" of your "employee benefits" programs.

We will have the right and the duty to defend any "suit" seeking those damages. But:

The amount we will pay for damages is limited as described in the Schedule as Limits of Insurance;

We may investigate and settle any claim or "suit" at our discretion; and

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 this endorsement.

This insurance applies to errors, omissions, breaches of duty, or misstatements only if a claim for damages is first made against any insured during the policy period or any Extended Reporting Period we provide under the paragraph titled Extended Reporting Period.

This insurance does not apply to errors, omissions, breaches of duty, or misstatements which occurred before the Retroactive Date shown above, or which occur after the end of the policy period.

WHO IS AN INSURED

With respect to this endorsement, Section II – Who Is An Insured is modified to include employees only while authorized to act in the "administration" or your "employee benefits" programs.

EXCLUSIONS

Insurance under this endorsement does not apply to any claim or "suit" arising out of:

any dishonest, fraudulent, criminal or malicious act;

any "Bodily Injury," "Personal Injury," "Advertising Injury," or "Property Damage";

any claim for failure of performance of contract by any Insurer;

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

any failure of stock to perform as represented by you;

any advice given by you to your employees to participate or not to participate in stock subscription plans; or

any actual or alleged error or omission or breach of duty, committed or alleged to have been committed by a trustee in the discharge of fiduciary duties, obligations or responsibilities imposed by the Federal Employee Retirement Income Security Act of 1974 or Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272) or Section 9319 of the Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509) or any amendments to these Acts.

LIMITS OF INSURANCE

The Limits of Insurance shown in the Schedule of this endorsement and the rules below, fix the most we will pay regardless of the number of:

Insureds;

Claims made or "suits" brought; or

Persons or organizations making claims or bringing "suits."

The Aggregate Limit is the most we will pay for the sum of all damages under this endorsement.

The Each Claim Limit is the most we will pay for damages arising out of any one claim or "suit."

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

SPECIAL DEDUCTIBLE

A Special Deductible in the amount of \$1,000 applies to each claim covered by this endorsement. We will subtract this amount from the amount of damages payable for each claim.

ADDITIONAL DEFINITIONS

The following additional definitions are added to Section V – Definitions:

"Employee benefits" means group life insurance, group accident or health insurance, profit sharing plans, pension plans, employee stock subscription plans, employee travel, vacation, or savings plans, workers compensation, unemployment insurance, social security and disability benefits insurance, and any other similar benefit program.

"Administration" means any of the following acts that you do or authorize a person to do:

Counseling employees, other than giving legal advice, on "employee benefits" programs;

Interpreting your "employee benefits" programs;

Handling records for your "employee benefits" programs; and

Effecting enrollment, termination or cancellation of employees under your "employee benefits" programs.

"Administration" does not include:

The failure of performance of any contract by any insurer;

The failure of any investment plan to perform as represented by an insured;

The inability of "employee benefit" programs to meet their obligation due to insolvency.

EXTENDED REPORTING PERIOD

1. We will automatically provide an Extended Reporting Period as described in paragraphs 2. and 3. below if:

- a. This endorsement is cancelled or not renewed; or
- b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown on this endorsement; or
 - (2) Does not apply to errors, omissions, breaches of duty, or misstatements on a claims-made basis.
- 2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to claims for errors, omissions, breaches of duty, or misstatements that occur before the end of the policy period but not before the Retroactive Date shown on this endorsement.

Once in effect, the Extended Reporting Period may not be cancelled.

- 3. The Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for Five years.

The 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.

- 4. The Extended Reporting Period does not reinstate or increase the Limits of Insurance.

Authorized Agent