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10 *d/b/a Regal Cinemas*

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
12 FOR THE COUNTY OF LOS ANGELES

13 CROWN INTERMEDIATE HOLDCO, INC.,  
14 D/B/A REGAL CINEMAS,

15 Plaintiff,

16 v.

17 ALLIANZ GLOBAL RISKS US INSURANCE  
18 COMPANY; LIBERTY MUTUAL FIRE  
19 INSURANCE COMPANY; AND ZURICH  
20 AMERICAN INSURANCE COMPANY,

21 Defendants.

Civil Case No. 22STCV03479

**COMPLAINT FOR BREACH OF  
CONTRACT, DECLARATORY  
RELIEF AND MONEY DAMAGES**

**JURY TRIAL DEMANDED**

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**COMPLAINT**

Plaintiff Crown Intermediate Holdco, Inc., d/b/a Regal Cinemas (“Regal” or “Plaintiff”), by and through the undersigned attorneys, as and for its Complaint against Allianz Global Risks US Insurance Company (“Allianz”), Liberty Mutual Fire Insurance Company (“Liberty Mutual”), and Zurich American Insurance Company (“Zurich”) (collectively, the “Insurers” or “Defendants”), alleges as follows:

**INTRODUCTION**

1. This action for breach of contract and declaratory relief arises out of the Insurers’ refusal to provide coverage they owe under an “all risk” property insurance program for Regal’s significant losses arising out of the novel coronavirus outbreak and ongoing COVID-19 pandemic. Despite issuing broad, “all risk” business interruption insurance policies, the Insurers have refused to compensate Regal for a single dollar of its losses.

2. Regal, a subsidiary of the Cineworld Group, operates one of the largest and most geographically diverse movie theater circuits in the United States, consisting of more than 500 theaters in more than 40 states leased or owned by Regal’s wholly owned affiliates, including approximately 80 theaters in California and more than a dozen theaters in Los Angeles. Regal’s business model relies upon the ability of large groups of people to congregate in confined, indoor spaces for extended periods of time to watch movies. As a result, Regal’s business was particularly susceptible to the devastating effects of the COVID-19 pandemic. Specifically, beginning in February and March of 2020, deadly coronavirus particles circulated throughout Regal’s insured properties, coming to rest on the surfaces people touch and remaining suspended in and altering the air they breathe. The ubiquitous presence of the virus, as well as the constant threat of the virus’s introduction to Regal’s theaters, damaged Regal’s properties, deprived Regal of the use of its properties, and rendered its properties unusable for their intended purpose.

3. As confirmed COVID-19 cases rose in the states where Regal’s theaters are located, state and local leaders began implementing stay-at-home orders based on the mounting loss and damage being caused by the virus, and to stem the pandemic’s further

1 spread (the “Orders”). The Orders generally directed all non-essential businesses in the states  
2 where Regal operates to cease operations and permitted residents to leave their homes only for  
3 limited purposes such as getting groceries or medicine, or to perform essential jobs.

4 Restaurants and other non-essential businesses near Regal’s properties were forced to close.  
5 Government officials across the country explained that these drastic measures were needed  
6 because of the unique characteristics of the novel coronavirus, including its ability to cause  
7 physical loss or damage to property by attaching to surfaces for prolonged periods of time.

8 4. The pandemic and Orders, most of which have been renewed and extended  
9 multiple times, have devastated Regal’s business. Overnight, Regal’s movie theaters that were  
10 once busy, bustling destinations for moviegoers, became unusable, decimating Regal’s  
11 revenue. Regal was forced to temporarily close its theaters for months and expend significant  
12 sums on remedial measures to remediate and repair its property and protect its employees and  
13 customers. Regal also incurred significant costs and rent obligations during the time its  
14 theaters were unusable.

15 5. Regal has sustained hundreds of millions of dollars in financial losses since  
16 March 2020 as a result of the COVID-19 pandemic, including lost ticket sales, concession  
17 sales, and extra expenses. In fact, even after the original Orders were lifted or relaxed, Regal  
18 continued to suffer losses due to the continuing presence of the virus at its theaters, including  
19 most recently as a result of the highly contagious Omicron variant.

20 6. Fortunately, like many prudent businesses, Regal had the foresight to purchase  
21 insurance from the Insurers for “business interruption” that covers the very risk to Regal’s  
22 business and properties that materialized during the pandemic. Each of the Insurers issued a  
23 policy that, with minor variations, follows the same policy form (collectively, the “Policy”)  
24 and provides for a specified share of the total coverage. Except as noted within individual  
25 Insurers’ policies, the Insurers provide substantially identical coverage.

26 7. The various coverages afforded in the Policy also include, among other things,  
27 coverage for:  
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- 1 • Loss resulting from the interruption of Regal’s normal business operations based on
- 2 physical loss or damage to insured property;
- 3 • Loss resulting from impairment of access to Regal’s property, including
- 4 specifically if caused by an order issued by a civil authority, even if Regal’s insured
- 5 property itself is not lost, damaged or destroyed;
- 6 • Loss resulting from impairment of ingress to or egress from Regal’s property, even
- 7 if Regal’s insured property itself is not lost, damaged or destroyed;
- 8 • Loss resulting from physical loss or damage to property which attracts business to
- 9 Regal’s insured properties;
- 10 • Loss resulting from physical loss or damage to property owned by Regal’s
- 11 suppliers, manufacturers, or customers;
- 12 • Extra expense incurred to continue Regal’s business as nearly normal as
- 13 practicable;
- 14 • Costs to clean and decontaminate Regal’s properties; and
- 15 • Loss as a result of Regal’s continuing obligation to pay rent in connection with
- 16 insured properties when those properties are wholly or partially untenable or
- 17 unusable.

18 8. Regal’s losses and costs as a result of the pandemic and related governmental  
19 shutdown orders are covered under the various coverages referenced above, among others.  
20 Therefore, Regal promptly made a claim for coverage under the Policy.

21 9. In response, the Insurers refused to cover any portion of Regal’s losses.  
22 Instead, on September 15, 2020 and again on October 26, 2020, the Insurers, through their  
23 appointed adjuster, Charles Taylor Adjusting, denied coverage on the following three grounds:  
24 (1) Regal did not experience “direct physical loss or damage to property,” (2) an exclusion in  
25 the Policy for “pollution or contamination” barred coverage, and (3) an exclusion in the Policy  
26 for “loss of market, loss of use, or indirect or remote loss” barred coverage.  
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1 18. Defendants are subject to personal jurisdiction in the state of California by  
2 virtue of their business activities and operations in this state, including issuing policies that  
3 cover California companies and risks located within California, including the Policy at issue in  
4 this action. Defendants purposely availed themselves of the privilege of doing insurance  
5 business in the state of California through their conduct in selling, underwriting, issuing, and  
6 handling claims under the Policy, and by contracting with and hiring others in connection with  
7 selling, underwriting, issuing, and handling claims under the Policy. Defendants are also  
8 subject to personal jurisdiction in the state of California by virtue of their agreement in the  
9 Policy that “disputes arising hereunder will be exclusively subject to a State or Federal  
10 jurisdiction within the United States of America.”

11 19. Venue in this action is properly laid in this court pursuant to Code of Civil  
12 Procedure § 395(a) and § 395.5, as the obligations under the contracts at issue were to be  
13 performed, the Defendants do business, and the events that led to this dispute occurred, at least  
14 in part, in this County. Venue is also properly laid in this court pursuant to the Policy, which  
15 provides that “disputes arising hereunder will be exclusively subject to a State or Federal  
16 jurisdiction within the United States of America.”

17 **FACTUAL ALLEGATIONS**

18 **I. The Coronavirus Outbreak**

19 20. In December 2019, during the term of the Policy, an outbreak of the severe  
20 acute respiratory syndrome coronavirus 2 (SARS-CoV-2), which causes the infectious disease  
21 COVID-19, was first identified in Wuhan, Hubei Province, China. COVID-19 is a severe and  
22 highly contagious infectious disease that can cause serious systemic illness and death. In an  
23 event that has not occurred in more than a century, a global pandemic ensued, with the virus  
24 quickly spreading to the United States.

25 21. From the first reported case in the United States in January 2020 to the present,  
26 the impact of the virus and the resulting disease has been staggering on life and property.<sup>1</sup> The  
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28 <sup>1</sup> CDC, *Estimated COVID-19 Infections, Symptomatic Illnesses, Hospitalizations, and Deaths in the United States* (last updated Nov. 16, 2021),

1 CDC estimates that as of October 2021, more than 140 million Americans have contracted  
2 COVID-19, resulting in more than 900 thousand deaths. The impact on businesses such as  
3 Regal, whose business depends on large groups of people congregating in enclosed spaces for  
4 extended periods of time, has been acute.

5 22. As of February 26, 2020, the Centers for Disease Control and Prevention (the  
6 “CDC”) warned that community transmission of COVID-19 existed in the United States. The  
7 virus was spreading with no ability to trace the origins of new infections.<sup>2</sup>

8 23. On March 11, 2020, the World Health Organization (the “WHO”) declared  
9 COVID-19 a global pandemic. As a declared pandemic, COVID-19 is present globally,  
10 including at each of Regal’s insured properties.

11 24. The nature of the coronavirus has made containment particularly challenging,  
12 specifically due to it having at least three different modes of transmission.

13 25. First, COVID-19 spreads when an uninfected person inhales droplets of the  
14 saliva or nasal discharge of an infected person.<sup>3</sup> This is called airborne transmission. Droplets  
15 of saliva or nasal discharge from an infected person can linger in the air for minutes or hours,  
16 and can affect personal and real property, including indoor air within the real property.<sup>4</sup>

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20 <https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/burden.html> (last visited, Jan. 25,  
21 2022).

22 <sup>2</sup> CDC *Confirms Possible Instance of Community Spread of COVID-19 in U.S.*, Centers  
23 for Disease Control and Prevention, <https://www.cdc.gov/media/releases/2020/s0226-Covid-19-spread.html> (last visited Jan. 25, 2022).

24 <sup>3</sup> CDC, *How COVID-19 Spreads* (last updated July 14, 2021)  
25 <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/how-covid-spreads.html>  
26 (last visited Jan. 25, 2022); CDC, *Scientific Brief: SARS-CoV-2 and Potential Airborne*  
27 *Transmission* (last updated May 7, 2021), <https://www.cdc.gov/coronavirus/2019-ncov/more/scientific-brief-sars-cov-2.html> (last visited Jan. 25, 2022).

28 <sup>4</sup> Ramon Padilla & Javier Zarracina, *Who agrees with more than 200 medical experts that COVID-19 may spread via the air*, USA Today (last updated Sep. 21, 2020)  
[www.usatoday.com/in-depth/news/2020/04/03/coronavirusprotection-how-masks-might-stop-spread-throughcoughs/5086553002/](http://www.usatoday.com/in-depth/news/2020/04/03/coronavirusprotection-how-masks-might-stop-spread-throughcoughs/5086553002/) (last visited Jan. 25, 2022).

1           26.     Second, COVID-19 spreads through smaller droplets known as aerosols, which  
2 can linger in the air for hours, as confirmed by a July 2020 study published by the CDC.<sup>5</sup>  
3 Aerosols infect people far away from the infected person who emits them and can remain  
4 infectious after the infected person has left the premises. This kind of spread is referred to as  
5 aerosol transmission and typically happens through exhaled breath, even if the infected person  
6 does not cough or sneeze, as is necessary to release the larger virus-containing droplets in  
7 saliva and nasal discharge.

8           27.     Aerosol transmission involves the airborne transmission of viral RNA in  
9 particles smaller than 50 microns (human hair is about 80 microns), which do not settle onto  
10 surfaces like the larger droplets emitted through saliva and nasal discharge.<sup>6</sup>

11           28.     Aerosol droplets are so small and transient that they can be pulled into air  
12 circulation systems and spread to other areas in a building.<sup>7</sup> Indoor spaces with limited  
13 ventilation are particularly susceptible to aerosol transmission.

14           29.     The airborne transmission of the coronavirus is depicted in the below  
15 illustrations:

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17           <sup>5</sup> Jianyun Lu & Zhicong Yang, *COVID-19 outbreak associated with air conditioning in*  
18 *restaurant, Guangzhou, China, 2020*, 26 *Emerging Infectious Diseases* 11 (Sep. 11, 2020),  
19 [https://wwwnc.cdc.gov/eid/article/26/11/20-3774\\_article#suggestedcitation](https://wwwnc.cdc.gov/eid/article/26/11/20-3774_article#suggestedcitation) (last visited Jan.  
20 25, 2022) (“We conclude that the air conditioner prompted transmission of SARS-CoV-2; the  
customers in the airflow were at high risk for infection with SARS-CoV-2 in the poorly  
ventilated environment. Because the staff and other diners were not exposed to the airflow  
mixed with SARS-CoV-2 transmitted by patient A1, their risk for infection was lower.”).

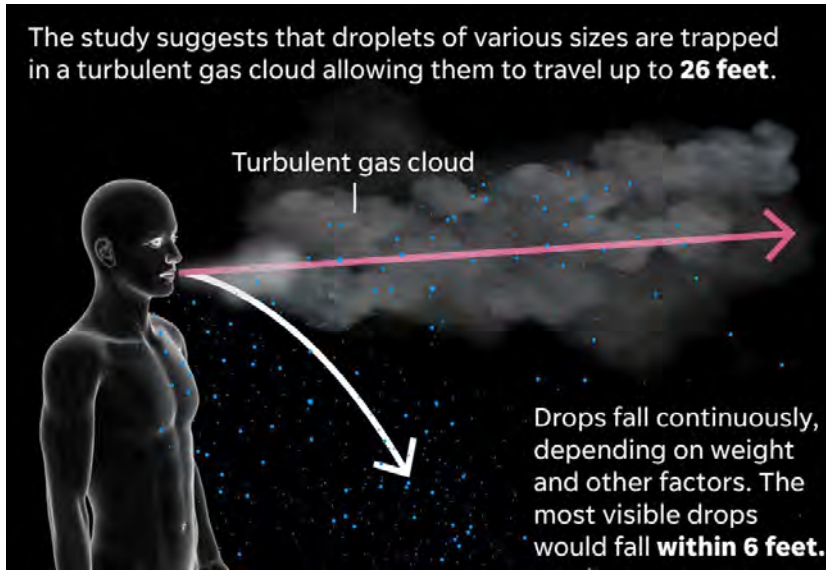
21           <sup>6</sup> Jose-Luis Jimenez, *COVID-19 Is Transmitted Through Aerosols. We Have Enough*  
22 *Evidence, Now It Is Time to Act*, *Time* (Aug. 25, 2020), [https://time.com/5883081/covid-19-](https://time.com/5883081/covid-19-transmitted-aerosols/)  
23 [transmitted-aerosols/](https://time.com/5883081/covid-19-transmitted-aerosols/) (last visited Jan. 25, 2022); Pien Huang, *Researchers Say Fresh Air Can*  
24 *Prevent Aerosol Transmission Of The Coronavirus*, *NPR* (Sep. 7, 2020),  
[https://www.npr.org/2020/09/07/910499236/researchers-say-fresh-air-can-prevent-aerosol-](https://www.npr.org/2020/09/07/910499236/researchers-say-fresh-air-can-prevent-aerosol-transmission-of-the-coronavirus)  
[transmission-of-the-coronavirus](https://www.npr.org/2020/09/07/910499236/researchers-say-fresh-air-can-prevent-aerosol-transmission-of-the-coronavirus) (last visited Jan. 25, 2022).

25           <sup>7</sup> Padilla, *supra* note 4 (“‘You cannot separate out droplet and fine aerosol emissions in  
26 everyday activities like talking, breathing and laughing.’ Many scientists believe droplets and  
27 aerosols are on a continuum of sizes. ‘So if they accept that droplet transmission is happening  
they cannot exclude any contribution from aerosols.’”); Wenzhao Chen et al., *Short-range*  
*airborne route dominates exposure of respiratory infection during close contact*, *BUILDING*  
*& ENV’T* 176 (June 2020),  
28 <https://www.sciencedirect.com/science/article/abs/pii/S0360132320302183> (last visited Jan.  
25, 2022) (Abstract) (“The short-range airborne route is found to dominate at most distances  
studied during both talking and coughing.”).



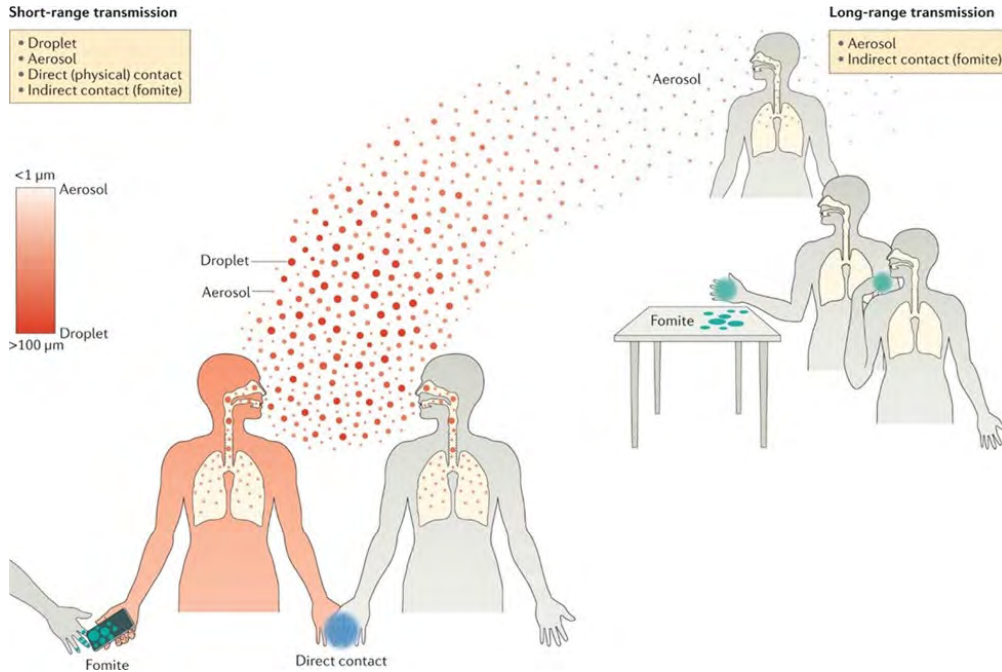
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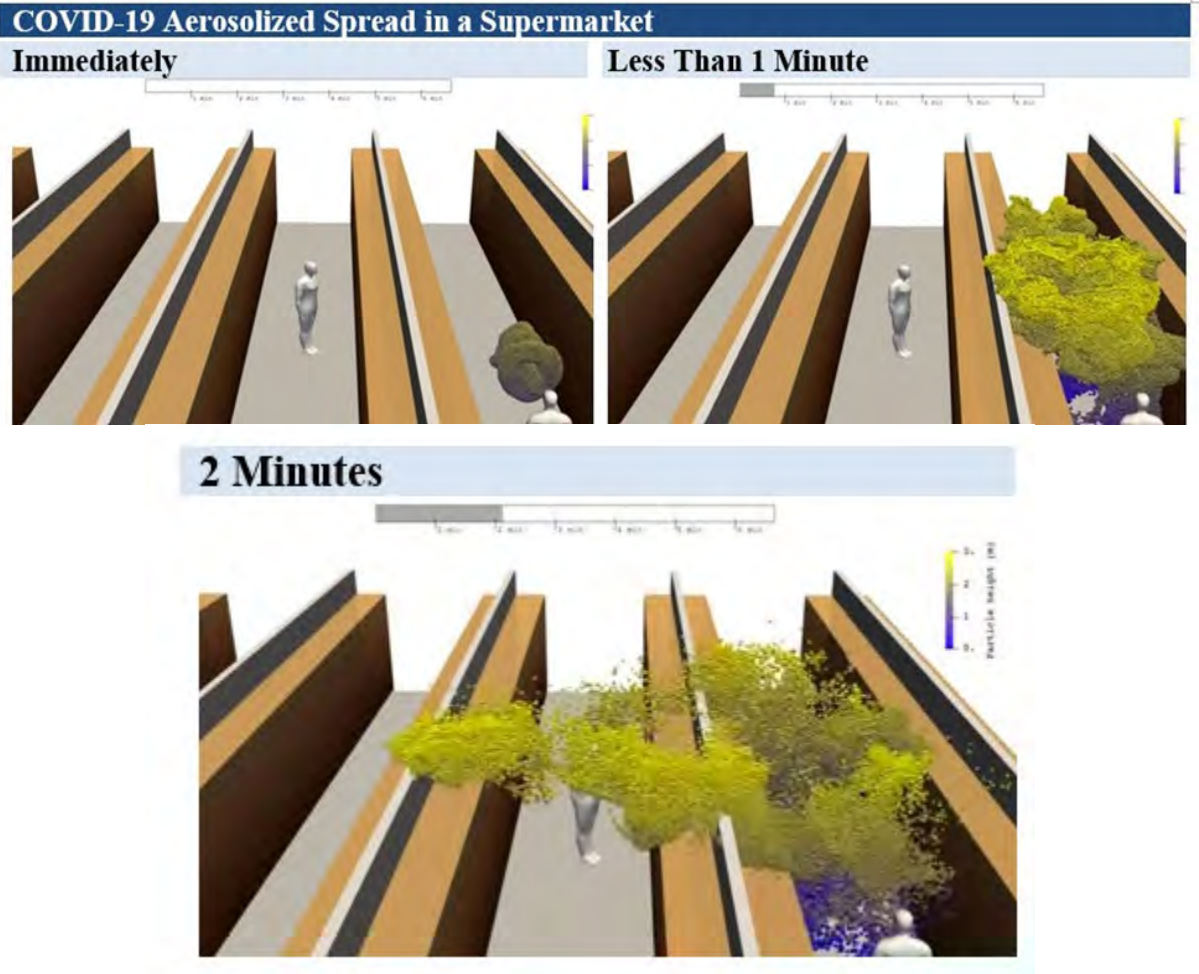
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<sup>8</sup> How cough and sneeze droplets travel (illustration), in Padilla, *supra* note 4, WHO agrees with more than 200 medical experts that COVID-19 may spread via the air, USA TODAY (updated Sept. 21, 2020), <https://www.usatoday.com/in-depth/news/2020/04/03/coronavirus-protection-how-masks-might-stop-spread-throughcoughs/5086553002/> (last visited Jan. 25, 2022).

<sup>9</sup> Major modes of transmission of respiratory viruses during short-range and long-range transmission (illustration), in Nancy H.L. Leung, *Transmissibility and transmission of respiratory viruses*, 19 NATURE REVIEWS MICROBIOLOGY 528-45 (Mar. 22, 2021), <https://www.nature.com/articles/s41579-021-00535-6> (last visited Jan. 25, 2022).



30. Third, respiratory droplets can come to rest on surfaces and objects. Surfaces, once physically affected by the coronavirus, are referred to as fomites.<sup>11</sup> A person can get COVID-19 by touching a surface or object that has the virus on it and then touching his or her own mouth, nose, or eyes.

31. Although droplets carrying the coronavirus are not visible, they are nonetheless physical objects carrying a virus that, like all other viruses, is a tangible substance. The virus hangs in the air and attaches to property for extended periods of time. Studies have shown that

<sup>10</sup> Mikko Auvinen & Antti Hellsten (animation), in Yaron Steinbuch, *Simulation shows how the coronavirus can spread in supermarkets*, New York Post (updated Apr. 9, 2020), <https://nypost.com/2020/04/09/simulation-shows-how-a-cough-can-spread-coronavirus-in-a-store/> (last visited Jan. 25, 2022).

<sup>11</sup> Stephanie A. Boone and Charles P. Gerba, *Significance of Fomites in the Spread of Respiratory and Enteric Viral Disease*, AM. SOC'Y FOR MICROBIOLOGY (Mar. 13, 2007), <https://aem.asm.org/content/73/6/1687> (last visited Jan. 25, 2022).

1 fomites—physical surfaces that promote infection—can become infectious on a whole range  
2 of surfaces, including stainless steel, wood, paper, plastic, glass, ceramic, cardboard, and cloth,  
3 many of which are used throughout Regal’s properties.

4 32. Fomites consist of both porous and nonporous surfaces or objects that can  
5 become infected with a virus and serve as vehicles of transmission. Fomites become infected  
6 with virus by direct physical contact with body secretions or fluids, contact with soiled hands,  
7 contact with virus droplets released while talking, sneezing, coughing, or vomiting, or contact  
8 with airborne virus that settles after disturbance of an infected fomite. Once a fomite is  
9 infected, the transfer of infectious virus may readily occur between inanimate and animate  
10 objects, or vice versa, and between two separate fomites.

11 33. Given these various means of spread and the highly contagious nature of the  
12 virus, commercial establishments such as Regal’s theaters are particularly susceptible to the  
13 spread of the virus.

14 34. Besides being deadly and having multiple known modes of transmission, the  
15 virus is challenging to contain because infected persons who contract COVID-19 “shed” the  
16 virus (i.e., pose a risk of viral transmission) before, during, and after their illness. In fact,  
17 studies have estimated that more than 40% of infected individuals may never develop any  
18 symptoms.<sup>12</sup> These asymptomatic individuals are unaware that they might be spreading the  
19 virus through the mere touching of objects and surfaces. Indeed, the incubation period, during  
20 which pre-symptomatic individuals can be most contagious but have no symptoms, can last up  
21 to fourteen days.<sup>13</sup> Scientists have reason to believe that infected people are the most  
22 contagious during this period.<sup>14</sup> Thus, individuals who appear healthy and present no

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24 <sup>12</sup> CDC, *How COVID-19 Spreads*, *supra* note 3.

25 <sup>13</sup> WHO, *Coronavirus disease 2019 (COVID-19) Situation Report – 73* (Apr. 2, 2020),  
[https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200402-sitrep-73-covid-19.pdf?sfvrsn=5ae25bc7\\_2](https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200402-sitrep-73-covid-19.pdf?sfvrsn=5ae25bc7_2) (last visited Jan. 25, 2022).

26 <sup>14</sup> Seungjae Lee, MD et al., *Clinical Course and Molecular Viral Shedding Among*  
27 *Asymptomatic and Symptomatic Patients With SARS-CoV-2 Infection*, JAMA (Aug. 6, 2020)  
28 (study revealing that viral loads were similar between the symptomatic and asymptomatic  
groups and actually decreased more slowly among the asymptomatic carriers, meaning that  
they had higher loads for longer),

1 identifiable symptoms of the disease will still spread the virus by merely breathing, speaking,  
2 or touching objects and surfaces.

3 35. A study published by CDC researchers confirmed the magnitude of this  
4 problem, estimating that transmission of the coronavirus from asymptomatic individuals  
5 accounts for *more than half of all transmissions*.<sup>15</sup> The impact of pre-symptomatic (and  
6 asymptomatic) transmission cannot be overstated, as it makes anyone who passes through  
7 Regal’s properties, symptomatic or not, a potential source of contagion that will leave an  
8 impact on the property long after the individual has left.

9 36. Given the virus’s resilience and ability to remain on surfaces and suspended in  
10 the air for an extended period of time, addressing the coronavirus is not merely a matter of  
11 cleaning, like one might do with a non-hazardous substance like dust. Numerous studies have  
12 demonstrated that COVID-19 and the virus that causes it are not susceptible even to effective  
13 cleaning and that the particles are more resilient than many other respiratory viruses.<sup>16</sup> In fact,  
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16 <https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/2769235> (last visited Jan.  
17 25, 2022); Lirong Zou, et al., *SARS-CoV-2 Viral Load in Upper Respiratory Specimens of*  
18 *Infected Patients*, 382 NEW ENG. J. MED. 1177 (Mar. 19, 2020) (“The viral load that was  
19 detected in the asymptomatic patient was similar to that in the symptomatic patients, which  
20 suggests the transmission potential of asymptomatic or minimally symptomatic patients.”),  
21 <https://www.nejm.org/doi/full/10.1056/nejmc2001737> (last visited Jan. 25, 2022); Monica  
22 Ghandi, et al., *Asymptomatic Transmission, the Achilles’ Heel of Current Strategies to Control*  
23 *Covid-19*, 382 NEW ENG. J. MED. 2158 (May 28, 2020) (“Ultimately, the rapid spread of  
24 Covid-19 across the United States and the globe, the clear evidence of SARS-CoV-2  
25 transmission from asymptomatic persons, and the eventual need to relax current social  
26 distancing practices argue for broadened SARS-CoV-2 testing to include asymptomatic  
27 persons in prioritized settings.”), <https://www.nejm.org/doi/full/10.1056/nejme2009758> (last  
28 visited Jan. 25, 2022).

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16 <sup>15</sup> Michael A. Johansson et al., *SARS-CoV-2 Transmission From People Without*  
17 *COVID-19 Symptoms*, JAMA NETWORK (Jan. 7, 2021) available at  
18 <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2774707> (last visited Jan. 25,  
19 2022).

20 \_\_\_\_\_  
21 <sup>16</sup> CDC, *Science Brief: SARS-CoV-2 and Surface (Fomite) Transmission for Indoor*  
22 *Community Environments* (last updated Apr. 5, 2021, <https://www.cdc.gov/coronavirus/2019-ncov/more/science-and-research/surface-transmission.html>) (last visited Jan. 25, 2022)  
23 (“[T]here is little scientific support for routine use of disinfectants in community settings,  
24 whether indoor or outdoor, to prevent SARS-CoV-2 transmission from fomites.... In situations  
25 when there has been a suspected or confirmed case of COVID-19 indoors within the last 24  
26 hours, the presence of infectious virus on surfaces is more likely and therefore high-touch  
27 surfaces should be disinfected.”).

1 the CDC has released guidance stating that there is little evidence to suggest that routine use of  
2 disinfectants can prevent the transmission of coronavirus from fomites in community settings.

3 37. Recent studies demonstrate that even extraordinary cleaning measures do not  
4 completely remove coronavirus from surfaces. For example, a 2021 study by the largest  
5 hospital network in New York State demonstrated that even after trained hospital personnel  
6 used disinfection procedures in coronavirus patient treatment areas, some of the virus still  
7 survived in those areas.<sup>17</sup> Further, even the most aggressive cleaning regimen cannot eliminate  
8 aerosolized coronavirus particles from the air. Just like cleaning friable asbestos particles that  
9 have landed on a surface will not remove the friable asbestos particles suspended in the  
10 surrounding air, cleaning surfaces does not lessen the deadly impact of inhaled coronavirus  
11 aerosols.

12 **II. The Governmental Response to the Pandemic**

13 38. Recognizing and in response to the vast physical loss or damage that the  
14 coronavirus had begun to cause, in mid-March 2020 many state and local governments began  
15 imposing sweeping restrictions on residents' daily lives and property to protect them.<sup>18</sup> Most  
16 states restricted or prohibited the operation of non-essential businesses or public gatherings or  
17 required individuals to stay at home except for essential purposes.

18 39. States, counties, and cities where Regal's theaters are located declared states of  
19 emergency to limit the spread of the virus. They issued orders suspending or severely  
20 curtailing the operations of all non-essential or high-risk businesses and permitting residents to  
21 leave their homes only for limited purposes, such as for groceries, medicine, and to perform  
22 essential jobs.

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25 <sup>17</sup> Zarina Brune et al., *Effectiveness of SARS-CoV-2 Decontamination and Containment*  
26 *in a COVID-19 ICU*, 18 INT'L J. ENV'T RSCH. & PUB. HEALTH 5, 2479 (Mar. 3, 2021),  
<https://www.mdpi.com/1660-4601/18/5/2479> (last visited Jan. 25, 2022).

27 <sup>18</sup> Lawrence O. Gostin et al., *Governmental Public Health Powers During the COVID-*  
28 *19 Pandemic: Stay-at-home Orders, Business Closures, and Travel Restrictions*, JAMA (Apr.  
2, 2020), <https://jamanetwork.com/journals/jama/fullarticle/2764283> (last visited Jan. 25,  
2022).

1           40. In Los Angeles, for example, Mayor Eric Garcetti issued an Order that closed  
2 non-essential businesses and operations and directed residents to remain at home except for  
3 limited, essential purposes, recognizing that “the COVID-19 virus . . . is **physically causing**  
4 **property loss or damage due to its tendency to attach to surfaces for prolonged periods of**  
5 **time.**”<sup>19</sup> (Emphasis added.)

6           41. On March 16, 2020, New York City Mayor Bill de Blasio issued an emergency  
7 executive order closing non-essential businesses in the city and declaring, “this order is given  
8 because of the propensity of the virus to spread person to person and also because **the virus**  
9 **physically is causing property loss and damage[.]**”<sup>20</sup> (Emphasis added.)

10           42. California Governor Gavin Newsom also signed Orders closing non-essential  
11 businesses and severely limiting the ability of people to travel to and around the state of  
12 California, in which Regal has dozens of insured locations.<sup>21</sup> Some of the Orders issued in  
13 California directly impacted Regal’s ability to operate its insured properties.

14           43. On March 22, 2020, Broward County, Florida issued Emergency Order 20-01  
15 stating that the Order is “necessary because of the propensity of the virus to spread person to  
16 person and also because **the virus is physically causing property damage due to its**  
17 **proclivity to attach to surfaces for prolonged periods of time[.]**”<sup>22</sup> (Emphasis added.)

18           44. In San Diego, Mayor Todd Gloria issued a series of executive orders, including  
19 stay-at-home orders, and explained that that these drastic measures were needed because of the  
20

21           <sup>19</sup> “Safer at Home,” Public Order Under City of Los Angeles Emergency Authority,  
22 <https://www.lamayor.org/sites/g/files/wph1781/files/page/file/20200527%20Mayor%20Public%20Order%20SAFER%20AT%20HOME%20ORDER%202020.03.19%20%28REV%202020.05.27%29.pdf> (Mar. 19, 2020).

23           <sup>20</sup> Emergency Executive Order No. 100,  
24 <https://www1.nyc.gov/assets/home/downloads/pdf/executive-orders/2020/eeo-100.pdf> (Mar.  
25 16, 2020).

26           <sup>21</sup> See Executive Order N-33-20, [https://www.gov.ca.gov/wp-](https://www.gov.ca.gov/wp-content/uploads/2020/03/3.19.20-attested-EO-N-33-20-COVID-19-HEALTH-ORDER.pdf)  
27 [content/uploads/2020/03/3.19.20-attested-EO-N-33-20-COVID-19-HEALTH-ORDER.pdf](https://www.gov.ca.gov/wp-content/uploads/2020/03/3.19.20-attested-EO-N-33-20-COVID-19-HEALTH-ORDER.pdf)  
(Mar. 19, 2020).

28           <sup>22</sup> See Executive Order No. 20-01,  
<https://www.broward.org/CoronaVirus/Documents/BerthaHenryExecutiveOrder20-01.pdf>  
(Mar. 22, 2020).

1 unique characteristics of the novel coronavirus and, of particular relevance here, stating that  
2 “COVID-19 physically causes property loss and damage.”<sup>23</sup> (Emphasis added.)

3 45. Similar Orders were issued in each of the other states where Regal owns  
4 properties, with similar effects. All of them had wide-reaching impacts, including reduced  
5 travel and loss of jobs. Many specifically stated they were being issued because the virus has  
6 caused, causes, or will cause physical loss or damage to property.

7 46. As the pandemic has evolved, the Orders have been renewed and amended by  
8 such authorities and continue to impose certain restrictions on non-essential businesses and  
9 operations, even as more Americans become vaccinated. In late 2020 and throughout 2021, as  
10 coronavirus cases continued to increase throughout the United States, cities and states that had  
11 lifted Orders or loosened restrictions entered a “second wave” of lockdowns.

12 **III. Coronavirus Is a Hazardous and Sometimes Deadly Substance that Caused and**  
13 **Continues to Cause Direct Physical Loss or Damage to Regal’s Property**

14 47. Beginning in February/March 2020, the virus was present in the air in Regal’s  
15 theaters and attached to the surfaces within the theaters, such as doors, tables, chairs, bathroom  
16 sinks, countertops, and toilets. Because COVID-19 is a pandemic, is present on Regal’s  
17 properties and is statistically certain to have been carried by a percentage of untested  
18 individuals who have entered Regal’s properties since March of 2020, COVID-19 is  
19 continually reintroduced to the air and surfaces of Regal’s properties.

20 48. Indeed, given infection rates in the areas in which Regal’s theaters are located,  
21 it is certain that the theaters had the actual presence of the virus, and that any theater that then  
22 closed would have had the actual presence of the virus had it opened its doors.

23 49. The virus compromised the physical integrity of Regal’s theaters, tangibly  
24 altered the property and air therein, posed an imminent and continuous threat of reintroduction  
25 to Regal’s theaters, rendered the theaters unusable and functionally uninhabitable for their  
26 intended purpose, and turned Regal’s theaters into a gauntlet of deadly particles. Indeed, as a

27 \_\_\_\_\_  
28 <sup>23</sup> See Executive Order No. 2020-3,  
[https://www.sandiego.gov/sites/default/files/mkf\\_executive\\_order\\_2020-04-30-2020\\_3.pdf](https://www.sandiego.gov/sites/default/files/mkf_executive_order_2020-04-30-2020_3.pdf)  
(Apr. 30, 2020).

1 result of the virus and resultant Orders, Regal's theaters were forced to close, and even those  
2 that were ultimately able to reopen did so on a severely limited basis due to the continuing  
3 threat and presence of the virus. Thus, the virus and/or the Orders resulted in physical loss or  
4 damage to Regal's theaters.

5 50. Indeed, the only way for people to avoid the coronavirus in Regal's properties  
6 would be not to enter the properties in the first place, thus rendering the properties unusable  
7 for their intended purpose.

#### 8 **IV. Regal Suffers Massive Financial Losses Resulting from the Pandemic**

9 51. Regal, through wholly owned affiliates, owns, leases and operates more than  
10 500 movie theaters in more than 40 states in the United States, including approximately 80  
11 locations in California, and numerous locations in Los Angeles County. These theaters are  
12 insured properties under the Policy.

13 52. Regal prides itself in providing an enjoyable movie-going experience for its  
14 customers. To achieve that goal, Regal's business model is dependent on large numbers of  
15 moviegoers paying to enter its theaters, purchase concessions, and congregate in enclosed  
16 spaces for extended periods of time to watch movies.

17 53. However, the ubiquitous presence of COVID-19 and the coronavirus, including  
18 in the air and on property in Regal's insured theaters, and in infected customers and employees  
19 at Regal's insured theaters, has interrupted that business model by causing physical loss and/or  
20 damage to the insured properties and rendering them unusable for their intended purpose.  
21 Specifically, as a result of the COVID-19 pandemic and the presence of the virus at Regal's  
22 theaters, the risk of contracting a highly lethal disease by entering Regal's theaters was so high  
23 that individuals could not safely congregate in the theaters to watch movies, rendering them  
24 functionally uninhabitable and useless for their intended function.

25 54. This has caused Regal to suffer a staggering loss in revenue while at the same  
26 time incurring ongoing rent obligations on its leased properties despite those properties being  
27 unusable and untenable. Indeed, given the many employees and moviegoers entering  
28 Regal's hundreds of theaters at the start of the pandemic, it is certain that the virus has been



1 present at *all* of Regal’s properties at some point since the COVID-19 pandemic began. This  
2 has rendered Regal’s theaters functionally useless and/or uninhabitable for their intended  
3 purpose. Regal’s theaters are not like a dental practice that could still offer emergency  
4 procedures, or a business that could continue to operate remotely. Rather, the *only* way to  
5 experience Regal’s product is to physically enter a movie theater.

6 55. In addition to Regal’s general business interruption losses based on the physical  
7 loss or damage from COVID-19, Regal also incurred substantial costs and financial losses  
8 attempting to remediate and repair its properties to help reduce the spread of the virus and  
9 further damage and loss to its properties. The measures that must be taken to attempt to even  
10 partially or temporarily remove the coronavirus from property are significant and far beyond  
11 ordinary or routine cleaning or improved ventilation. For example, Regal expended significant  
12 sums on disinfectant, sanitizers and plexiglass dividers at its properties as a result of the  
13 pandemic. Regal also implemented administrative efforts including social distancing measures  
14 and staff-education. Although these efforts were designed to slow the spread of the virus, they  
15 could not eliminate the virus from Regal’s properties and make it safe for general occupancy.

16 56. The coronavirus also continues to evolve, further stymieing efforts to control  
17 the pandemic and remediate property. Multiple variants of the coronavirus are circulating  
18 globally, including variants originating in the United Kingdom, South Africa, and Brazil.  
19 Ongoing research suggests these variants may spread more easily and quickly, making the  
20 coronavirus and COVID-19 disease even more dangerous and damaging to persons and  
21 property. Certain of these variants, such as the highly contagious “Delta” and “Omicron”  
22 variants are present in the United States. To date Regal has suffered significant losses as a  
23 result of the coronavirus.

24 57. In addition to the physical loss or damage directly suffered by Regal, the  
25 Orders, themselves arising from physical loss or damage to Regal’s theaters and properties  
26 within one (1) mile of Regal’s theaters, have hurt Regal’s business by preventing moviegoers  
27 from entering and congregating in Regal’s theaters.

28

1           58.     Indeed, Regal’s insured properties are located within one (1) mile of many  
2 other establishments such as restaurants, cafes, bars, and parks that attract business to Regal’s  
3 properties and that were forced to close or operate on a limited basis as a result of their own  
4 direct physical loss or damage to property due to the coronavirus. The direct physical loss or  
5 damage to these surrounding properties, as well as the direct physical loss or damage to  
6 Regal’s theaters, has resulted in the Orders, and restricted access to those properties as well as  
7 Regal’s nearby properties.

8           59.     Regal has also suffered losses because of physical loss or damage to the  
9 properties of its customers, suppliers and companies with which it has licensing agreements.  
10 For example, Regal is dependent on the film industry to create and distribute movies to screen  
11 at Regal’s theaters. However, as a result of the physical loss or damage caused by the  
12 pandemic and attendant Orders, the movie industry came to a screeching halt and the provision  
13 of new movies to Regal’s theaters slowed considerably. Without new movies to attract  
14 moviegoers to Regal’s theaters, the theaters could not accomplish their intended purpose and  
15 Regal could not attract paying customers. Similarly, as a result of governmental “stay-at home  
16 orders” resulting from the physical loss and damage of the pandemic, Regal’s customers were  
17 not able to congregate at its theaters to watch movies. And even after the Orders were lifted or  
18 relaxed, Regal continued to suffer significant losses due the presence and imminent threat of  
19 the virus at its theaters.

20           60.     As a result, Regal has sustained hundreds of millions of dollars in losses, which  
21 will increase depending on the length and ultimate severity of the pandemic.

22 **V.     Regal’s “All Risks” Business Interruption Policies**

23           61.     In exchange for substantial premiums, the Insurers sold “all risk” property and  
24 business interruption policies to Regal and its subsidiaries as the Named Insured for the policy  
25 period June 1, 2019 to June 1, 2020. *See* Exhibit A (Liberty Policy No. MJ2-L4L-004833-069  
26 at Declarations); Exhibit B (Zurich Policy No. MLP 1150953-01 at Declarations); Exhibit C  
27 (Allianz Policy No. USP00074619 at Declarations).

28

1           62.     The Insurers’ policies are part of a shared insurance program, with each insurer  
2 covering an allocated percentage of losses in connection with a particular occurrence.<sup>24</sup> The  
3 Policy provides \$250,000,000 in per-occurrence<sup>25</sup> coverage, with 40% allocated to Liberty  
4 Mutual, 40% allocated to Zurich and 20% allocated to Allianz, subject to certain sub-limits,  
5 time periods and deductibles.

6           63.     The Policy insures, among other things, Regal’s theaters across the United  
7 States, including the properties listed on a “Schedule of Covered Locations” on file with the  
8 Insurers.

9           64.     The Policy contains a broad grant of coverage, stating that except as otherwise  
10 excluded, the Policy insures against “all risks of direct physical loss or damage” to insured  
11 property.

12           65.     The Policy does not define the phrase “direct physical loss or damage to  
13 Insured Property.”

14           66.     The Policy provides both “Property Damage” and “Time Element” (or business  
15 interruption) coverage.

16           67.     The basic “Property Damage” coverage in the Policy covers physical loss or  
17 damage to certain real property and personal property.

18           68.     The basic “Time Element” coverage in the Policy covers business interruption  
19 loss measured by Regal’s “Gross Earnings” or “Gross Profits,” the calculation of which is set  
20 forth in the Policy. The Time Element coverage also covers reasonable and necessary “Extra  
21 Expense” incurred by Regal to “temporarily continue as nearly normal as practicable the  
22 conduct of your business....”

23  
24  
25           <sup>24</sup> Each of the policies listed and described herein is incorporated by reference into this  
26 Complaint. Unless stated otherwise, these policies follow the terms and conditions of a single  
policy form and are referred to herein collectively as the “Policy.”

27           <sup>25</sup> “Occurrence” is defined under the Policy as “All loss or damage attributable directly  
28 or indirectly to one (1) cause or series of similar causes. All such loss or damage will be added  
together and the total loss or damage will be treated as one (1) occurrence.” (Exs. A-C at PP 00  
01 02 17 at p. 68 of 99.)

1           69.     The Time Element Coverage also covers Regal’s rent obligations in connection  
2 with insured property during the time the property is “wholly or partially untenable or  
3 unusable.”

4           70.     Within the Business Interruption and Extra Expense coverages, the Policy  
5 provides several specific additional coverages. Those coverages, which are set forth in greater  
6 detail below, include coverage for:

- 7           •     Loss resulting from physical loss or damage to “attraction properties,” defined  
8 as properties “operated by others” that Regal depends on “to attract customers  
9 to [Regal’s] covered location[s]”;
- 10          •     Loss resulting from direct physical loss or damage to both insured and non-  
11 insured properties that results in orders of civil or military authority impairing  
12 access to Regal’s properties;
- 13          •     Loss resulting from impairment of ingress or egress to Regal’s properties based  
14 on physical loss or damage to Regal’s properties or other non-insured  
15 properties;
- 16          •     Loss resulting from physical loss or damage at the property of Regal’s  
17 customers, suppliers, manufacturers, contract service providers, or any  
18 company under royalty, licensing fee or commission agreement with Regal; and
- 19          •     Remediation costs relating to the presence of communicable disease at Regal’s  
20 properties.

21           71.     The Policy provides coverage for “attraction property” losses—that is, financial  
22 losses Regal sustains resulting from loss or damage to property within one (1) mile of Regal’s  
23 theaters that is “operated by others” and which Regal depends on “to attract customers to”  
24 Regal’s theaters.

25           72.     The Policy provides coverage for losses as a result of orders of “civil or  
26 military authority”—that is, losses sustained when, as a result of physical loss or damage to  
27 Regal’s properties or properties within one (1) mile of Regal’s properties, an order of civil or  
28 military authority impairs access to Regal’s properties.

1           73.     The Policy provides coverage for “ingress/egress” losses—that is, losses  
2 sustained due to the interruption of Regal’s business when “ingress to or egress from a covered  
3 location is prevented” as a result of physical loss or damage, “whether or not [Regal’s  
4 property] is damaged.”

5           74.     The Policy provides coverage for “communicable disease” decontamination  
6 costs—that is, costs Regal pays to remediate its properties as required by applicable law or  
7 ordinance if its property is contaminated by a communicable disease, defined to include “a  
8 viral or bacterial organism that is capable of inducing disease, illness, physical distress or  
9 death.”

10          75.     The Policy does not require complete dispossession or uninhabitability to  
11 trigger coverage. For example, the Policy covers Regal when it is even “partially prevented  
12 from producing goods,” and for a “reduction in sales.”

13          76.     The theaters where Regal has sustained losses and incurred costs are insured  
14 properties under the Policy.

15          77.     By its terms, and as intended by the parties, the Policy is designed to cover  
16 exactly the type of damages and losses Regal has suffered, and continues to suffer, resulting  
17 from the coronavirus, COVID-19 pandemic and/or related Civil Orders, including, among  
18 other things, costs expended to decontaminate its insured properties and to remove the actual  
19 presence of the coronavirus, as well as losses due to the interruption of Regal’s business  
20 activities and sales.

21          78.     Regal reasonably expected that the Policy would cover such losses and costs,  
22 based on, among other things, the broad language of the Policy, and the fact that the Policy  
23 does not contain language excluding losses resulting from viruses, diseases, or a pandemic.

24          79.     Regal has paid all premiums due to the Insurers to purchase the Policy and has  
25 complied with all applicable duties under the Policy.

26          80.     Throughout the pandemic, Regal has taken actions to mitigate its losses and  
27 protect the property and, thus, the Insurers, from further loss.  
28

1 **VI. The Pandemic and Related Civil Orders Triggered Multiple Coverages**  
2 **Under the Policy**

3 **a. Regal Has Suffered Compensable Time Element Losses Under the Policy**

4 81. The Policy insures Time Element losses, including Regal’s lost earnings and  
5 lost profits, that result from the “suspension” or “interruption” from “any loss of the type  
6 insured under the policy,” i.e., any business interruption losses due to “all risks of direct  
7 physical loss or damage” to Regal’s theaters.

8 82. As discussed above, Regal has suffered, and continues to suffer, financial losses  
9 resulting from the necessary interruption of its business activities due to direct physical loss of  
10 or damage to property of the type insurable under the Policy caused by the presence of  
11 COVID-19, the coronavirus and/or Civil Orders entered in connection with the pandemic.

12 83. As a result of the foregoing, Regal has sustained actual loss, including losses of  
13 gross earnings, lost profits, diminished sales, additional operational and other extra expenses,  
14 increased costs of doing business, continuing rent obligations, and other covered losses.

15 84. Additionally, Regal has spent reasonable and necessary amounts to resume and  
16 continue, as nearly as practicable, the conduct of its normal business activities that otherwise  
17 would be necessarily suspended due to direct physical loss of or damage caused by COVID-  
18 19, the coronavirus and/or the Orders. These extra expenses include, but are not limited to,  
19 expenses for COVID-19 monitoring, cleaning supplies, protective gear and equipment,  
20 physical and structural modifications, and other operational changes.

21 85. Regal would not have incurred these expenses in conducting its business during  
22 the same period had no physical loss or damage occurred.

23 86. Regal’s Time Element losses are ongoing and likely to persist.

24 **b. Regal Has Sustained Losses Insured by the Policy’s Civil Authority**  
25 **Coverage**

26 87. The Policy covers Regal’s losses as a result of orders of “civil or military  
27 authority” that impair access to Regal’s properties as a result of physical loss or damage to  
28 Regal’s properties or properties within one (1) mile of Regal’s properties.

1           88.     Regal has sustained, and will continue to sustain, Time Element losses as a  
2 result of the Orders, which were issued as a direct result of physical loss of and/or damage to  
3 property of the type insured to Regal’s theaters and third-party property within one (1) mile of  
4 insured locations, and which have prohibited access to Regal’s properties. Indeed, numerous  
5 of these orders expressly state that they were issued to prevent property damage caused by  
6 COVID-19.

7                           **c.     Regal Has Sustained Losses Insured by the Policy’s Coverage for**  
8   **Contingent Time Element**

9           89.     The Policy covers the “actual loss sustained and EXTRA EXPENSE...directly  
10 resulting from physical loss or damage of the type insured” to the property of Regal’s  
11 customers, suppliers, manufacturers, contract service providers, or any company under royalty,  
12 licensing fee or commission agreement with Regal.

13           90.     Regal sustained losses directly resulting from physical loss or damage to its  
14 customers, contract service providers, suppliers, and companies under licensing arrangements  
15 with Regal, as well as physical loss or damage to locations of companies that are customers,  
16 direct suppliers, contract manufacturers or have service agreements with Regal’s customers,  
17 suppliers, or service providers. This includes physical loss of or damage to real and personal  
18 property resulting from the Orders and the presence of coronavirus and COVID-19 at such  
19 locations.

20           91.     For example, as a direct result of the Orders and/or the presence of coronavirus  
21 or COVID-19 at such locations, Regal consumers sheltered in place, quarantined or were  
22 inhibited from traveling to Regal’s theaters. Additionally, as a direct result of the Orders  
23 and/or the presence of coronavirus or COVID-19 disease, the entertainment industry could not  
24 produce the films that are screened at Regal’s theaters, or delayed releases of those films.

1                   **d.       Regal Has Sustained Losses Insured by the Policy’s Ingress/Egress**  
2                   **Coverage**

3                   92.       The Policy covers Regal’s losses due to the interruption of Regal’s business  
4 when “ingress to or egress from a covered location is prevented” as a result of physical loss or  
5 damage, “whether or not [Regal’s property] is damaged.”

6                   93.       As explained above, the coronavirus and respiratory droplets adhere and attach  
7 to common surfaces and materials creating fomites, thereby structurally altering and physically  
8 changing those materials, and making them dangerous and unsafe. This process impairs and  
9 physically damages the materials and the property affected. The coronavirus also tangibly  
10 alters the air within insured properties.

11                  94.       These circumstances prevented ingress to and egress from Regal’s theaters by  
12 Regal’s suppliers, distributors, customers and/or employees.

13                  95.       The widespread presence of coronavirus, fomites, and respiratory droplets  
14 within the vicinity of Regal’s theaters, including at third-party locations within one (1) mile of  
15 Regal’s theaters, and resulting Orders created physical obstructions that prevented travel to,  
16 travel from, and entering Regal’s theaters.

17                  96.       As a result of these preventions of ingress to and egress from Regal’s theaters,  
18 Regal’s business operations were interrupted and Regal sustained millions of dollars in losses.

19                   **e.       Regal Has Incurred Losses Covered by the Policy’s Attraction**  
20                   **Property Coverage**

21                  97.       The Policy covers Regal’s losses resulting from physical loss or damage to  
22 “attraction properties,” defined as properties “operated by others” that Regal depends on “to  
23 attract customers to [Regal’s] covered location[s].”

24                  98.       Regal relies on local establishments such as bars, restaurants and retail  
25 establishments to attract customers to its theaters.

26                  99.       As explained above, the coronavirus, fomites and respiratory droplets adhere  
27 and attach to common surfaces and materials, thereby structurally altering and physically  
28 changing those materials, and making them dangerous and unsafe. This process impairs and



1 physically damages the materials and the property affected. The coronavirus also tangibly  
2 alters the air within insured properties.

3 100. The coronavirus was ubiquitous and pervasive in the locations where Regal’s  
4 theaters are located. It is certain that the coronavirus was present at and caused physical loss or  
5 damage to the establishments Regal relies on to attract customers to its theaters. Indeed, many  
6 of these establishments shut down due to the pandemic and resultant Orders.

7 101. As a result of Regal’s inability to attract customers through these local  
8 establishments, Regal’s business operations were interrupted and Regal sustained millions of  
9 dollars in losses.

10 **f. Regal Has Incurred Costs to Protect and Preserve Insured Property**

11 102. The Policy covers Regal’s “reasonable and necessary costs to temporarily  
12 protect or preserve covered property provided such actions are necessary due to actual, or to  
13 prevent immediately impending threat of, physical loss or damage of the type covered by this  
14 Policy to such covered property.”

15 103. Regal sustained reasonable and necessary costs to protect and preserve covered  
16 property due to the actual or imminent presence of coronavirus or COVID-19 disease at its  
17 theaters, including costs to clean facilities and to put in place physical barriers and other  
18 measures to prevent the spread of coronavirus or COVID-19 disease at its premises.

19 **g. Regal Has Sustained Losses Insured by the Policy’s Leasehold**  
20 **Interest Coverage**

21 104. The Policy covers Regal’s continuing rent obligations during the time its  
22 theaters are “wholly or partially untenable or unusable” as a result of a direct physical loss  
23 or damage.

24 105. Regal has incurred significant rent obligations in connection with its leased  
25 theaters despite those theaters being unusable and untenable, in whole or in part, as a result of  
26 physical loss or damage to those theaters caused by the actual and/or imminent threat of the  
27 coronavirus or COVID-19 disease at its theaters and resulting Orders, which in turn were  
28 issued due to physical loss or damage to property.

1                   **h.       Regal Has Sustained Communicable Disease Remediation Costs**  
2   **Covered Under the Policy**

3           106.    The Policy covers Regal’s costs to remediate its properties as required by  
4 applicable law or ordinance if its property is contaminated by a communicable disease, defined  
5 to include “a viral or bacterial organism that is capable of inducing disease, illness, physical  
6 distress or death.”

7           107.    Regal expended significant sums to attempt to remediate and decontaminate its  
8 theaters as a result of COVID-19, including the purchase and implementation of disinfectant,  
9 sanitizer and protective equipment. These expenditures were consistent with governmental  
10 guidelines and recommendations.

11                   **i.       Regal’s Losses Trigger Other Coverages Under the Policy**

12           108.    In addition to the losses and coverages described above, Regal’s pandemic-  
13 related losses are covered under any and all other coverages provided under the Policy that  
14 may apply.

15                   **VII.    The Insurers Could Have Excluded All Losses Arising from Viruses But Did Not**

16           109.    Prior to the COVID-19 pandemic, the Insurers were well aware of the potential  
17 impact of a pandemic on the property insurance industry, including through publicly available  
18 reports about the risks of pandemics and what insurers should do to prepare. For example, one  
19 2018 article noted that:

20                   Even with today’s technology, a modern severe pandemic would cause  
21 substantive direct financial losses to the insurance community. In addition,  
22 indirect losses would be severe, most notably on the asset side of the balance  
23 sheet.<sup>26</sup>

24           110.    One library of insurance industry publication, the Insurance Library  
25 Association of Boston, updated in early 2020, demonstrates just how much information was  
26 available to the Insurers regarding pandemics prior to COVID-19:

27 \_\_\_\_\_  
28 <sup>26</sup> *What the 1918 Flu Pandemic Can Teach Today’s Insurers*, AIR (Mar. 29, 2018),  
<https://www.air-worldwide.com/publications/air-currents/2018/What-the-1918-Flu-Pandemic-Can-Teach-Today-s-Insurers/> (last visited Jan. 25, 2022).

1 The past 20 years ha[ve] seen the rise of a number of pandemics. Slate recently  
2 published an article on what has been learned about treating them in that time.  
3 We thought it might be apt for us to take a look back and see what the insurance  
4 industry has learned as well.<sup>27</sup>

5 111. In 2006, the Insurance Services Office (ISO) (an insurance industry trade  
6 group) responded by drafting and procuring regulatory approval of a new standard form  
7 endorsement, CP 01 40 07 06, “Exclusion Of Loss Due To Virus Or Bacteria.”

8 112. The ISO virus endorsement acknowledged that business interruption claims  
9 would be filed under existing policy language for losses resulting from the presence of  
10 disease-causing agents like a coronavirus.

11 113. The endorsement, which various insurers have since incorporated into their  
12 policies, provides that the insurer “will not pay for loss or damage caused by or resulting from  
13 any virus, bacterium or other microorganism that induces or is capable of inducing physical  
14 distress, illness or disease.”

15 114. Despite the ISO virus endorsement having existed for nearly 15 years when the  
16 Insurers sold Regal’s Policy, they did not include it in their Policy. The Insurers also did not  
17 include an exclusion for pandemics, which was also available in the marketplace. Therefore,  
18 the Insurers could and should have anticipated that they would be liable for losses like Regal’s  
19 COVID-19-related losses. Further, the absence of any such exclusion created a reasonable  
20 expectation by Regal that the Policy would cover losses as a result of the physical impact of a  
21 virus.

22 **VIII. Regal’s Claim for Coverage**

23 115. In April 2020, after Regal was forced to close its theaters, Regal promptly  
24 notified the Insurers of its claim. Regal indicated that it suffered a “suspension/total  
25 interruption of operations and was required to close down its covered locations” as a result of  
26 the pandemic “and closure orders issued by multiple civil authorities.” In response, the  
27

28 <sup>27</sup> *Pandemics and Insurance*, The Insurance Library (Feb. 7, 2020),  
<http://insurancelibrary.org/pandemics-and-insurance/> (last visited Jan. 25, 2022).

1 Insurers’ adjuster (the “Adjuster”) requested that Regal complete a questionnaire, which Regal  
2 provided in August 2020. Regal’s responses to that questionnaire made clear that Regal was  
3 forced to close its theaters in March 2020 due to closure orders prompted by “COVID-19  
4 transmission and property damage in the communities served by Regal’s locations.” At that  
5 time, Regal also provided detailed information on the specific theaters it was forced to close, a  
6 list of some of the orders impacting its properties, its financial results from the first quarter of  
7 2018 through the second quarter of 2020, reflecting hundreds of millions of dollars in  
8 pandemic-related losses, and invoices for certain of Regal’s remediation efforts, including for  
9 plexiglass and disinfectant materials.

10 116. On September 15, 2020 the Insurers, through their Adjuster, denied Regal’s  
11 claim on the ground that Regal had purportedly not suffered any “physical loss or damage” at  
12 its theaters. The Insurers further wrote that coverage was barred by an exclusion in the Policy  
13 for “Contamination,” and that coverage was further barred under the Allianz policy based on  
14 an exclusion in that policy for “Pollution and Contamination.” The Insurers also denied  
15 coverage based on exclusions in the Policy for “indirect or remote loss or damage,”  
16 “interruption of business” except as provided in the Policy, “loss of market or loss of use,” and  
17 “loss or damage or deterioration from any delay.”

18 117. These bases for denying coverage, however, were baseless and not supported  
19 by the facts or Policy language. Therefore, on October 8, 2020, Regal submitted a “proof of  
20 loss,” which documented losses of approximately \$546 million in the first and second quarters  
21 of 2020 as measured by net sales and expenses in those quarters compared to the first two  
22 quarters of 2018 and 2019. Regal also identified more than \$100 million in rent payments that  
23 were deferred at that time but which Regal remained obligated to pay despite its inability to  
24 use its theaters. Regal also documented at least \$776,609 in expenses as of July 2020 relating  
25 to cleaning and remediation Regal conducted at its theaters to reduce damage from the  
26 COVID-19 virus to its properties and protect its customers and employees, such as the  
27 purchase of disinfectant, sanitizer, and protective equipment. These losses and costs have since  
28 increased.

1           118. On October 26, 2020, the Insurers, through their Adjuster, reiterated their initial  
2 denial of coverage. In addition, the Insurers denied coverage under the Policy for  
3 “Communicable Disease” remediation on the grounds that Regal’s properties were not  
4 contaminated by a communicable disease and, even if they had been, there was no indication  
5 that any such contamination was caused by direct physical loss or damage or that Regal’s  
6 remediation efforts were undertaken in response to a law or ordinance.

7           119. The Insurers’ denial of coverage for Regal’s losses and costs is inconsistent  
8 with the plain terms of the Policy. For example, the Policy’s “Contamination” exclusion  
9 expressly applies only to “costs” due to contamination where decontamination is not subject to  
10 law or ordinance. It makes no mention of “losses.” Nor does it encompass costs that may be  
11 caused by something other than contamination such as Civil Orders or communicable disease,  
12 such as COVID-19. The majority of the covered amounts that Regal seeks from the Insurers  
13 are “losses” as that term is used in the Policy, not “costs” as that term is used in the Policy.  
14 Regal’s losses are also the result of physical loss and/or damage caused by Civil Orders and/or  
15 communicable disease. They are not due to contamination.

16           120. Similarly, Allianz’s reliance on a separate “Pollution” exclusion that only  
17 appears in its policy, ignores longstanding law that this exclusion only applies to traditional  
18 environmental pollutants, not to pandemics.

19           121. The Insurers’ denial has caused significant harm to Regal, which has been  
20 deprived of the insurance coverage it purchased and reasonably expected would be available to  
21 cover its losses resulting from risks such as a pandemic.

22                           **FIRST CAUSE OF ACTION**

23                           **(Breach of Contract)**

24                           *By Plaintiff against all Defendants*

25           122. Regal repeats and realleges the allegations set forth in the foregoing paragraphs  
26 of this Complaint as if fully set forth herein.

27           123. The Policy constitutes a valid and enforceable contract between Regal, as the  
28 “Named Insured,” and the Insurers.

1 124. As described above, Regal has sustained, and is continuing to sustain, losses  
2 and costs covered under the Policy and during the policy period.

3 125. Regal provided prompt notice of its claim and has performed all obligations  
4 required of it under the Policy at the time the Insurers denied coverage in September and  
5 October of 2020.

6 126. The Insurers' October 5, 2020 and March 29, 2021 letters further expressed that  
7 they would not perform under the Policy and represented a denial of coverage in breach of the  
8 Policy.

9 127. Under the terms of the Policy, the Insurers must pay up to the full limits of their  
10 allocable share of the Policy, for any loss covered under the Policy, subject only to sublimits,  
11 time limits, waiting periods, or deductibles for specific coverages.

12 128. The Insurers have not paid any amounts to Regal in connection with its claim  
13 and have breached the Policy by asserting various inapplicable bases to wrongfully deny  
14 coverage.

15 129. As a direct and proximate result of the Insurers' breach of contract, Regal has  
16 suffered and will continue to suffer damages in an amount to be determined at trial, plus  
17 consequential damages, attorneys' fees, and pre- and post-judgment interest to the extent  
18 permitted by law.

19 **SECOND CAUSE OF ACTION**

20 **(Declaratory Judgment)**

21 ***By Plaintiff against all Defendants***

22 130. Regal repeats and realleges the allegations set forth in the foregoing paragraphs  
23 of this Complaint as if fully set forth herein.

24 131. Pursuant to the terms of the Policy, the Insurers are obligated to pay, up to the  
25 limit of liability, for property damage or time element losses covered under the Policy and not  
26 otherwise excluded from coverage.

27 132. As detailed above, Regal's losses are covered under multiple coverages of the  
28 Policy and are not excluded from coverage.

1 133. The Insurers dispute their obligation to pay Regal’s claim under the Policy.

2 134. Regal seeks a declaration by this Court of the Insurers’ obligations under the  
3 Policy.

4 135. An actionable and justiciable controversy exists between Regal and the Insurers  
5 concerning the proper construction of the Policy, and the rights and obligations of the parties  
6 thereto, with respect to Regal’s claim for expenses or losses arising out of the pandemic.

7 136. Regal seeks a declaratory judgment in favor of Regal and against the Insurers  
8 declaring that Regal is entitled to coverage for the costs and losses it has incurred and will  
9 incur as a result of the COVID-19 pandemic and the award of such additional relief as the  
10 Court deems just and appropriate.

11 137. A declaratory judgment would be useful in resolving this case or controversy.  
12 Regal’s losses are ongoing. By clarifying the parties’ rights and duties under the Policy, a  
13 declaratory judgment would guide the Insurers’ treatment of Regal’s covered, but yet  
14 unaccrued, losses, in addition to the significant losses Regal has already incurred. Because  
15 Regal’s unaccrued losses have not yet ripened such that a final amount of damages can be  
16 ascertained, the declaratory judgment claim would afford Regal relief independent of the  
17 breach of contract claim.

18 **PRAAYER FOR RELIEF**

19 WHEREFORE, Regal prays for relief as follows:

20 a. On the First Cause of Action, Regal requests that the Court enter judgment  
21 against the Insurers, awarding Regal damages in an amount to be determined at trial, plus  
22 consequential damages, attorneys’ fees, and pre- and post-judgment interest to the extent  
23 permitted by law;

24 b. On the Second Cause of Action, Regal requests that the Court enter a  
25 declaratory judgment in favor of Regal against the Insurers that Regal’s losses are covered  
26 under the Policy, declaring that the Insurers are required to pay Regal, up to the applicable  
27 limits of each Policy, for claimed amounts under the Policy;

28

1 c. For all Causes of Action, all pre-judgment and post-judgment interest as  
2 allowed by law and all Regal's costs incurred as a consequence of having to prosecute this  
3 lawsuit, including attorneys' fees; and

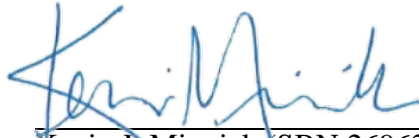
4 d. Such other and further relief as the Court deems just and proper.

5 **JURY DEMAND**

6 Regal hereby demands a trial by jury on all issues so triable.

7  
8 Dated: January 28, 2021

Respectfully submitted,

9  
10 

11 Kevin J. Minnick (SBN 269620)  
12 SPERTUS, LANDES & UMHOFFER, LLP  
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16 310.826.4711  
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18 Robin L. Cohen (*pro hac vice* forthcoming)  
19 Adam S. Ziffer (*pro hac vice* forthcoming)  
20 Orrie A. Levy (*pro hac vice* forthcoming)  
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24 212.584.1890  
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28 olevy@cohenziffer.com

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LOS ANGELES, CA 90025  
TEL: 310-826-4700; FAX: 310-826-4711



# Exhibit A

## ALASKA ATTORNEY FEES – NOTICE TO POLICYHOLDERS

NO COVERAGE IS PROVIDED BY THIS NOTICE, NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF **YOUR** POLICY. IF THERE ARE DISCREPANCIES BETWEEN **YOUR** POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

**YOUR** POLICY LIMITS COVERAGE FOR ATTORNEY FEES UNDER ALASKA RULE OF CIVIL PROCEDURE 82.

In any suit in Alaska in which **we** have a right or duty to defend an insured within **your** Policy LIMITS OF LIABILITY, **our** obligation under the applicable coverage to pay attorney fees taxable as costs against the insured is limited as follows:

Alaska Rule of Civil Procedure 82 provides that if **you** are held liable, some or all of the attorney fees of the person making a claim against **you** must be paid by **you**. The amount that must be paid by **you** is determined by Alaska Rule of Civil Procedure 82. **We** provide coverage for attorney fees for which **you** are liable under Alaska Rule of Civil Procedure 82 subject to the following limitation:

- If the LIMIT OF LIABILITY of the applicable coverage is \$1,000,000 or more, **we** will not pay any combination of judgment or claim settlement and attorney fees under Alaska Rule of Civil Procedure 82 that exceeds the LIMIT OF LIABILITY of the applicable coverage.
- If the LIMIT OF LIABILITY of the applicable coverage is less than \$1,000,000, **we** will not pay more than the greater of:
  - (1) That portion of any attorney's fees that is calculated by applying the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) to the LIMIT OF LIABILITY of the applicable coverage; or
  - (2) \$10,000.

This limitation means the potential costs that may be awarded against **you** as attorney fees may not be covered in full. **You** will have to pay any attorney fees not covered directly.

### Example 1:

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b) (1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court awards a judgment against **you** in the amount of \$1,250,000, in addition to that amount **you** would be liable for attorney fees of \$127,500 under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

- 20% of \$25,000:       \$    5,000
- 10% of \$1,225,000:   \$ 122,500
- Total Award:         \$1,250,000
- Total Attorney Fees:   \$ 127,500

If the LIMIT OF LIABILITY of the applicable coverage is \$1,000,000, **we** would pay \$1,000,000 of the \$1,250,000 award, less the costs incurred defending **you**, and none of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1). **You** would be liable to pay, directly and without **our** assistance, the remaining judgment in excess of the remaining Policy limit plus the \$127,500 attorney fees under Alaska Rule of Civil Procedure 82.

---

Example 2:

The attorney fees provided by the schedule for contested cases under Alaska Rule of Civil Procedure 82(b) (1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court awards a judgment against **you** in the amount of \$650,000, in addition to that amount **you** would be liable under Alaska Rule of Civil Procedure 82(b)(1) for attorney fees of \$67,500, calculated as follows:

- 20% of \$25,000:           \$ 5,000
- 10% of \$625,000:       \$ 62,500
- Total Award:               \$650,000
- Total Attorney Fees:     \$ 67,500

If the LIMIT OF LIABILITY of the applicable coverage is \$500,000, **we** would pay \$500,000 of the \$650,000 award, less the costs incurred defending **you**, and \$52,500 of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

- 20% of \$25,000:           \$ 5,000
- 10% of \$475,000:         \$ 47,500
- Total LIMIT OF LIABILITY:   \$500,000
- Total Attorney Fees Covered:  \$ 52,500

**You** would be liable to pay, directly and without **our** assistance, the judgment in excess of the remaining Policy limit plus the remaining \$15,000 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by **your** Policy.

Example 3:

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b) (1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court enters a judgment against **you** in the amount of \$500,000, in addition to that amount **you** would be liable for attorney fees of \$52,500 under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

- 20% of \$25,000:           \$ 5,000
- 10% of \$475,000:         \$ 47,500
- Total Award:               \$500,000
- Total Attorney Fees:     \$ 52,500

If the LIMIT OF LIABILITY of the applicable coverage is \$50,000, **we** would pay \$50,000 of the \$500,000 award less the costs incurred defending **you**, and \$10,000 of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

- 20% of \$25,000:           \$ 5,000
- 10% of \$25,000:           \$ 2,500
- Minimum limit:             \$10,000
- Total LIMIT OF LIABILITY:   \$50,000
- Total Attorney Fees Covered:  \$10,000

**You** would be liable to pay, directly and without **our** assistance, the judgment in excess of the remaining Policy limit plus the remaining \$42,500 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by **your** Policy.

**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

**DISCLOSURE PURSUANT TO TERRORISM RISK  
INSURANCE ACT**

**A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, **we** are required to provide **you** with a notice disclosing the portion of **your** premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of **your** premium attributable to such coverage is shown in D. PREMIUM in the Declarations.

**B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals the percentage indicated below of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Federal share of terrorism losses: 84%, calendar year 2016

Federal share of terrorism losses: 83%, calendar year 2017

Federal share of terrorism losses: 82%, calendar year 2018

Federal share of terrorism losses: 81%, calendar year 2019

Federal share of terrorism losses: 80%, calendar year 2020

**C. Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and **we** have met **our** insurer deductible under the Terrorism Risk Insurance Act, **we** shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

## KENTUCKY LOCAL GOVERNMENT PREMIUM TAX

**Your** insurance premium may be subject to a license fee or tax imposed by **your** local government. The amount of the fee or tax is determined by the local government where the insured risk is located. A breakdown by local government entity of the tax is shown on the Schedule below. The amount(s) shown on the Schedule below include(s) the tax and a collection fee.

If **you** believe that **you** have been erroneously charged or have been overcharged the tax, **you** may contact **us** for information on how to request a refund or credit for the tax paid.

### Schedule

No.	Location or Sub-Location	Taxing Jurisdiction	Amount of License Fee or Tax
242.1	103 Crossing Dr Wilder, KY 41076	Wilder	\$989

## **Louisiana Notice to Policyholders**

To comply with Louisiana Statutes Section 1. R.S. 22:2317, we are required at time of policy issuance as well as any subsequent renewal of this policy,

- (1) to inform you that any surcharge, market equalization charge, or other assessment previously levied in accordance with R.S. 22:2307 due to Hurricanes Katrina and Rita is refundable; and
- (2) to provide you the electronic link to the form designated by the Department of Revenue to receive a refund from the state after its payment by the insured pursuant to R.S. 47:6025(A)(3) for the amount of any surcharge, market equalization charge, or other assessment levied by the corporation pursuant to R.S. 22:2307 due to Hurricanes Katrina and Rita.

➤ [http://revenue.louisiana.gov/forms/taxforms/620INS\(1\\_10\)F.pdf](http://revenue.louisiana.gov/forms/taxforms/620INS(1_10)F.pdf)

For more information you can refer to the Department of Revenue website and search for the Louisiana Citizens Insurance Tax Credit.

➤ <http://revenue.louisiana.gov>

Policy number MJ2-L4L-004833-069

**MASSACHUSETTS – FIRE LOSSES FOLLOWING TERRORISM  
ADVISORY NOTICE TO POLICYHOLDERS**

This notice does not provide any coverage, nor does it replace any provisions of this Policy.

This Policy includes an endorsement that imposes an exclusion or LIMIT OF LIABILITY that specifically applies to, among other things, direct loss or damage by fire that results from a “certified act of terrorism” as defined in that endorsement.

Direct loss or damage by fire that result from acts of terrorism after the termination of the federal Terrorism Risk Insurance Program (which is scheduled to terminate at the end of 2020 unless Congress acts to extend that date), however, will not be subject to the exclusion or LIMIT OF LIABILITY contained in that endorsement, but may be subject to one (1) or more exclusions or LIMITS OF LIABILITY in other forms or endorsements to this Policy.

## NEW YORK HAZARDOUS MATERIALS NOTICE

New York law requires you to notify local fire officials of the presence of hazardous materials at any of your operations in that state. Since you have property coverage there, the Insurance Department in New York requires us to notify you of this obligation.

The law specifically requires:

- Every commercial business to report the presence of hazardous materials to the chief of the fire department having responsibility for fire protection at each location where hazardous materials may be found.
- Every insurance carrier to issue forms to its commercial fire policyholders for reporting the presence of hazardous materials.

Use form, [DOS-0347 \(Hazardous Materials Report Form\)](#) to notify your local fire department in New York. Mail this form to them, not to Liberty Mutual Insurance Group. Any questions you have regarding specifics of the law should be addressed to the fire department having jurisdiction over the location involved.

To obtain copies of the reporting form, contact the State Office of Fire Prevention and Control in Albany or go to: <http://www.dhSES.ny.gov/ofpc/documents/forms/hm209uc.pdf>.



Policy number MJ2-L4L-004833-069

### **Notice to Policyholder**

The additional charge shown on your policy as FIF (Fire Insurance Fee) has been mandated by the New York State Legislature to be collected by insurance companies and paid to the New York Superintendent of Insurance. All such monies are then to be paid by the Superintendent into the State's general fund.

Policy Number MJ2-L4L-004833-069

**OKLAHOMA NOTICE**

**WARNING:**

Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy, containing any false, incomplete or misleading information, is guilty of a felony.

## **OREGON MARIJUANA EXCLUSION – NOTICE TO POLICYHOLDERS**

NO COVERAGE IS PROVIDED BY THIS NOTICE, NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF **YOUR** POLICY. IF THERE ARE DISCREPANCIES BETWEEN **YOUR** POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

PLEASE READ **YOUR** POLICY AND REVIEW **YOUR** DECLARATIONS PAGE FOR COMPLETE COVERAGE INFORMATION. IF **YOU** HAVE ANY QUESTIONS AFTER REVIEWING THE CHANGES OUTLINED BELOW, PLEASE CONTACT **YOUR** INSURANCE ADVISOR.

### **POTENTIAL REDUCTION OF COVERAGE**

**Your** policy excludes coverage for **marijuana**, which is defined in **your** policy as:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic including but not limited to any of the following containing such THC or cannabinoid:

- a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or
- b. Any compound, byproduct, extract, derivative, mixture or combination, such as, but not limited to:
  - (1) Resin, oil or wax;
  - (2) Hash or hemp; or
  - (3) Infused liquid or edible **marijuana**;

whether derived from any plant or part of any plant described above or not.

## **POLICYHOLDER NOTICE – COMPANY CONTACT INFORMATION**

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

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

**Liberty Mutual Insurance  
175 Berkeley Street  
Boston, MA 02116  
(617) 357-9500 Ext. 41015**

**SOUTH CAROLINA – POTENTIAL ELIGIBILITY FOR WINDSTORM LOSS MITIGATION PREMIUM  
DISCOUNTS ADVISORY NOTICE TO POLICYHOLDERS**

The purpose of this Notice is to advise you that you may be eligible for a reduction in the premium for your Commercial Property insurance if certain steps have been taken to prevent or reduce damage from windstorm. The discounts, if any, would apply only to the portion of the premium attributable to wind coverage.

Contact your producer or insurer for additional information.

**TEXAS PERIOD TO FILE A CLAIM OR BRING  
LEGAL ACTION AGAINST US NOTICE -  
WIND 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 wind or hail in the catastrophe area, as defined by the Texas Insurance Code, any claim must be filed with us not later than one (1) 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 wind or hail in the catastrophe area, as defined by the Texas Insurance Code, must be brought within the earlier of the following:
  - a. Two (2) years and one (1) day from the date we accept or reject the claim; or
  - b. Three (3) years and one (1) day from the date of the loss or damage that is the subject of the claim.

## **UTAH INFORMATION TO POLICYHOLDERS**

Pursuant to the laws of Utah section 31A-21-201 you are hereby informed that LM Insurance Corporation is the exact name of your insurer which is domiciled in the state of Illinois.

# SPECIAL PROPERTY POLICY DECLARATIONS

Policy number MJ2-L4L-004833-069

Named Insured and Mailing Address  
Crown Intermediate Holdco, Inc.  
101 E Blount Ave  
Knoxville, TN 37920

Premium Will Be Billed Annually

Policy Period: 06/01/2019 to 06/01/2020 ( ) at 12:00 Noon  
Invoice/Rating Period: 06/01/2019 to 06/01/2020 (X) at 12:01 A.M. Standard Time at Location Insured.

Description of Coverage:

**Coverage:**

Coverage is provided per the Attached Form.

**Limit of Liability:**

**Our Limit Of Liability** in a single **Occurrence** regardless of the number of **Covered Locations** or coverages involved will not exceed the policy **Limit of Liability** of **Our** pro rata share of 40% of \$250,000,000 that being \$100,000,000.

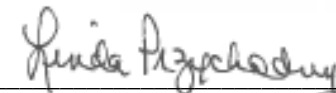
When a **Limit of Liability** or sub-limit of liability for a **Covered Location** applies, coverage or other specified property is shown 40% of that limit or sub-limit up to a maximum of \$100,000,000 will be the **Limit of Liability** payable for a **Covered Loss. Coverage is provided per the Attached Form.**

Premium (Excluding premium for "certified act(s) of terrorism" under the Terrorism Risk Insurance Act (TRIA), as amended):	\$ 2,036,400
Premium for "certified act(s) of terrorism" under the Terrorism Risk Insurance Act (TRIA), as amended:	\$ DECLINED
<b>WEST VIRGINIA PROPERTY AND CASUALTY POLICY SURCHARGE</b>	<b>\$ 37</b>
<b>NY FIF</b>	<b>\$ 903</b>
<b>NJ SURCHARGE</b>	<b>\$ 240</b>
<b>MN FIRE INSURANCE SURCHARGE</b>	<b>\$ 17</b>
<b>LA CORP EMERGENCY ASSESSMENT</b>	<b>\$ 485</b>
<b>KY MUNICIPAL TAX</b>	<b>\$ 989</b>
<b>KY SURCHARGE</b>	<b>\$ 178</b>
<b>FL EMERG MGMT, PREP AND ASSIST FUND</b>	<b>\$ 4</b>
<b>FL FIRE COLLEGE TRUST FUND SURCHARGE</b>	<b>\$ 141</b>
Total Premium/Other Charges for above Invoice/Rating Period:	\$ 2,039,394
The Deposit Premium/Other Charges is:	\$ 2,039,394

Forms Applicable: See attached inventory.

Issued by: Liberty Mutual Fire Insurance Company

Countersigned by:

  
\_\_\_\_\_  
Authorized Representative





## PREMIER PROPERTY PROTECTOR™

### POLICY COVER PAGE

<b>POLICY NUMBER:</b> MJ2-L4L-004833-069	<b>DATE OF ISSUE:</b> 5/31/2019
<b>COMPANY PROVIDING INSURANCE:</b> Liberty Mutual Fire Insurance Company ( hereafter referred to as <b>we, us</b> or <b>our</b> )	

In consideration of this Policy's Provisions, Conditions, Stipulations, LIMITS OF LIABILITY and of premium charged, **we** cover property, as described in this Policy, against all risks of direct physical loss or damage, except as hereinafter excluded or limited, while located as described in this Policy.

**We** insure:

Crown Intermediate Holdco, Inc. ( hereafter referred to as <b>you</b> or <b>your(s)</b> )
--

The term of this Policy is from 6/1/2019 to 6/1/2020 at 12:01 a.m., local time. In the event of a claim, the Policy period is measured by local time at the **location** where the direct physical loss or damage occurs.

PRODUCER NAME AND OFFICE

AON CORPORATION  
ATLANTA, GA

Your policy is issued by a stock insurance company subsidiary of the Liberty Mutual Holding Company Inc., a Massachusetts mutual holding company. The named insured first named in the Declarations is a member of Liberty Mutual Holding Company Inc.

As a member of Liberty Mutual Holding Company Inc., the named insured first named is entitled, among other things, to vote either in person or by proxy at the annual meeting or special meetings of said company. The Annual Meeting of Liberty Mutual Holding Company Inc. is at its offices located at 175 Berkeley Street, Boston, Massachusetts, on the second Wednesday in April each year at ten o'clock in the morning. Members of Liberty Mutual Holding Company Inc. may request a copy of the company's annual financial statements, which are posted on Liberty Mutual's website at [www.libertymutual.com](http://www.libertymutual.com) or by writing to Liberty Mutual Holding Company Inc., 175 Berkeley Street, Boston, Massachusetts, 02116, Attention: Corporate Secretary.

You may be eligible to participate in the distribution of surplus funds of the company through any dividends that may be declared for this policy. A declaration or payment of dividends is not guaranteed. The amount of any dividends that may be declared shall be to the extent, and upon the conditions fixed and determined by the Board of Directors and in compliance with any laws that apply.

IN WITNESS WHEREOF, the company has caused this Policy to be executed and attested, and, if required by state law, this Policy shall not be valid unless countersigned by a duly authorized representative of the company.

President

Secretary

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## SECTION I - DECLARATIONS

### A. FIRST NAMED INSURED AND MAILING ADDRESS

Crown Intermediate Holdco, Inc. and any subsidiary, and the interest of Crown Intermediate Holdco, Inc. in any partnership or joint venture in which Crown Intermediate Holdco, Inc. has management control, ownership, or is obligated to insure, as now constituted or hereafter is acquired, as the respective interest of each may appear; all hereafter referred to as **you** or **yours**, including legal representatives.

When any Insured described above is a party to a written contract or agreement on file that requires a legal entity to be identified as an additional insured under this Policy, this Policy includes the legal entity as an additional insured, as its interest may appear, for physical damage to **covered property** which is the subject of the written contract or agreement on file, before any loss occurs; and does not provide any TIME ELEMENT Coverage to the legal entity, except as provided under LEASEHOLD INTEREST of this Policy or as specifically endorsed to the Policy.

101 E Blount Ave  
Knoxville, TN 37920

### B. POLICY PERIOD

The term of this Policy is from June 1, 2018 to June 1, 2019 at 12:01 a.m., local time. In the event of a claim, the Policy period is measured by local time at the **location** where the direct physical loss or damage occurs.

### C. INSURING AGREEMENT

In consideration of this Policy's Provisions, Conditions, Stipulations, LIMITS OF LIABILITY and of premium charged, **we** cover property, as described in this Policy, against all risks of direct physical loss or damage, except as hereinafter excluded or limited, while located as described in this Policy.

### D. PREMIUM

This Policy is issued in consideration of the following initial premium inclusive of any premium shown on endorsements which are part of the Policy at the time of issue.

Policy Premium (Excluding premium for "certified act(s) of <b>terrorism</b> " under the <b>Terrorism</b> Risk Insurance Act (TRIA), as amended):	\$2,036,400
Policy Premium for "certified act(s) of <b>terrorism</b> " under the <b>Terrorism</b> Risk Insurance Act (TRIA), as amended:	REJECTED
State or Municipal Taxes, Surcharges and Other Miscellaneous Charges: (See State or Municipal Taxes, Surcharges and Other Miscellaneous Charges summary shown below)	\$2,994
Total Policy Premium and State or Municipal Taxes, Surcharges and Other Miscellaneous Charges for Above Policy Period:	\$2,039,394
Policy Premium will be billed Annually.	
The Deposit Premium is:	\$2,039,394



State or Municipal Taxes, Surcharges and Other Miscellaneous Charges

The amount shown below for State or Municipal Taxes, Surcharges and Other Miscellaneous Charges is comprised of the following amounts:

State or Municipal Taxes, Surcharges and Other Miscellaneous Charges	Amount
FL Emergency Management & Preparedness and Assistance Trust Fund Surcharge	\$4
Florida Fire College Trust Fund Surcharge	\$141
KY Surcharge	\$178
KY Municipal Tax	\$989
LA FAIR Plan Emergency Assessment 1/1/10 and Later	\$485
MN Fire Safety Surcharge	\$17
NJ PLIGA (Property Liability Insurance Guaranty Association)	\$240
NY Fire Insurance Fee	\$903
WV Fire and Casualty Surcharge	\$37
State or Municipal Taxes, Surcharges and Other Miscellaneous Charges Total	\$2,994

**E. PREMIUM PAYABLE**

The First Named Insured pays the premium under this Policy, and any return of the paid premium accruing under this Policy will be paid to the account of the First Named Insured.

Premiums will be paid in the currency designated in paragraph I. CURRENCY.

## F. COVERED LOCATION(S)

This Policy applies at a **location(s)**:

1. Listed on a SCHEDULE on file with **us**;
2. Listed on the SCHEDULE attached to this Policy;
3. Covered as a **Miscellaneous Unnamed Location**; or
4. Covered under the terms and conditions of the NEWLY ACQUIRED **LOCATIONS** Coverage or ERRORS AND OMISSIONS Coverage.

## G. TERRITORY

Coverage under this Policy applies to **covered property** worldwide except coverage does not apply in: Afghanistan, Albania, Algeria, Angola, Armenia, Aksai Chin and Trans- Karakoram Tract in People's Republic of China, Azerbaijan, Bangladesh, Belarus, Belize, Benin, Botswana, Burkina Faso, Burundi, Cambodia (Kampuchea), Cameroon, Cape Verde, Central African Republic, Chad, Chechen Republic of the Russian Federation, Comoros, Cote D'Ivoire, Cuba, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Fiji, Gabon, Gambia, Gaza Strip, West Bank and territories north of Latitude 32.80 N in Israel, Georgia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Iran, Iraq, Ivory Coast, Jammu and Kashmir in India, Kazakhstan, Kyrgyzstan (Kyrgyz Republic), Laos, Lebanon, Lesotho, Liberia, Libya, Macedonia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mayotte, Moldova, Mongolia, Montenegro, Montserrat, Mozambique, Myanmar (Burma), Namibia, Nepal, Niger, Nigeria, North Korea, Pakistan, Palestine, Papua New Guinea, Republic of the Congo, Reunion, Rwanda, Sao Tome' and Principe', Senegal, Serbia, Sierra Leone, Somalia, Sri Lanka, South Sudan, Sudan, Swaziland, Syria, Tajikistan, Tanzania, Tibet, Togo, Turkmenistan, Uganda, Uzbekistan, Western Sahara, Yemen, Zambia, Zimbabwe; or Any nation with which United States companies are not permitted to do business, or which are or become subject to trade sanctions by the government of the United States. Whenever coverage provided by this Policy would be in violation of United States economic or trade sanctions, such coverage shall be null and void, and **we** will not be liable to make payments or provide defense under this Policy. In accordance with the United States Department of Treasury's Office of Foreign Assets Control (OFAC) regulations, or any applicable regulation promulgated by the U.S. Department of State, 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 will be immediately subject to OFAC. When an insurance Policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

## H. JURISDICTION

The validity and interpretation of this Policy shall be governed by and construed in accordance with the laws of the State of New York.

Any disputes arising hereunder will be exclusively subject to a State or Federal jurisdiction within the United States of America.

## I. CURRENCY

All amounts, including deductibles and LIMITS OF LIABILITY, indicated in this Policy are in U.S. Dollars unless otherwise indicated by the three-letter currency designator as defined in Table A.1 Currency and Funds code list, International Standards Organization (ISO) 4217, edition effective at inception of this Policy.

## J. DEFINED WORDS

Words in bold face type have special meanings in this Policy and are defined in the DEFINITIONS section of this Policy. These definitions apply to this entire Policy and to any endorsements to it. Definitions that apply to individual sections or paragraphs are italicized and defined in the applicable sections or paragraphs.

## K. LIMITS OF LIABILITY

When a POLICY LIMIT OF LIABILITY is specified in the LIMITS OF LIABILITY Table in the Declarations, **our** maximum LIMIT OF LIABILITY in an **occurrence**, including any insured TIME ELEMENT loss, will not exceed the stated POLICY LIMIT OF LIABILITY.

1. When a PROPERTY DAMAGE and TIME ELEMENT LIMIT OF LIABILITY is specified in the LIMITS OF LIABILITY Table in the Declarations, it will apply to all coverages provided throughout this Policy, unless a LIMIT OF LIABILITY or "NCP" (No Coverage Provided) is indicated.
  - a. When a LIMIT OF LIABILITY is specified in the LIMITS OF LIABILITY Table in the Declarations, such limit will be the maximum amount payable for such loss or damage and cannot be combined with any other LIMIT OF LIABILITY.
  - b. If "NCP" is specified in the LIMITS OF LIABILITY, there is no coverage provided in this Policy.
2. LIMITS OF LIABILITY in an **occurrence** apply to the total loss or damage at all **locations** and for all coverages involved, including any insured TIME ELEMENT loss, subject to the following provisions:
  - a. When a LIMIT OF LIABILITY that applies in the aggregate during any Policy year is shown, **our** maximum amount payable will not exceed such LIMIT OF LIABILITY during any Policy year.
  - b. When a LIMIT OF LIABILITY applies to a **location(s)**, specified property, DESCRIBED LOSSES or a specific coverage, the smallest applicable LIMIT OF LIABILITY will be the maximum amount payable.
  - c. Should an **occurrence** result in liability payable under more than one Policy issued to **you** by **us**, or by **our** subsidiaries, partners, or associated insurance companies, the maximum amount payable in the aggregate under all such policies will be the applicable LIMIT(S) OF LIABILITY indicated in this Policy.
  - d. When a LIMIT OF LIABILITY applies to TIME ELEMENT only, **our** maximum amount payable will not exceed such LIMIT OF LIABILITY per **occurrence**.
3. LIMITS OF LIABILITY specified below or elsewhere in this Policy do not increase and are part of and not in addition to the POLICY LIMIT OF LIABILITY or the PROPERTY DAMAGE and TIME ELEMENT LIMIT OF LIABILITY.
4. LIMITS OF LIABILITY apply per **occurrence** unless otherwise specified, including time and distance limits.

LIMITS OF LIABILITY TABLE – PART ONE

COVERAGE	LIMITS OF LIABILITY AND TIME AND DISTANCE LIMITS
POLICY LIMIT OF LIABILITY	\$250,000,000
ACCOUNTS RECEIVABLE	\$25,000,000
<i>ATTRACTION PROPERTY</i>	1 statute miles from a covered <b>location</b> 30 consecutive days, not to exceed \$10,000,000
BRANDS AND LABELS	\$2,500,000
CIVIL OR MILITARY AUTHORITY	1 statute miles from a covered <b>location</b> 60 consecutive days, not to exceed \$10,000,000
COINSURANCE DEFICIENCY AND CURRENCY DEVALUATION	\$100,000
COMPUTER SYSTEMS NON PHYSICAL DAMAGE and DATA, PROGRAMS OR SOFTWARE, combined	\$500,000
CONTINGENT TIME ELEMENT <ul style="list-style-type: none"> <li>• <i>Direct Dependent Contingent Time Element <b>Location(s):</b></i> Not Scheduled or on file with <b>us</b></li> <li>• <i>Indirect Dependent Contingent Time Element <b>Location(s):</b></i> Not Scheduled or on file with <b>us</b></li> </ul>	\$10,000,000  NCP
CONTROL OF DAMAGED GOODS	\$100,000
COURSE OF CONSTRUCTION	\$25,000,000
CRISIS MANAGEMENT	30 consecutive days, not to exceed \$1,000,000
DEBRIS REMOVAL	\$25,000,000
DECONTAMINATION COSTS	\$1,000,000
DEFERRED PAYMENTS	\$1,000,000
DELAY IN STARTUP	\$1,000,000
DEMOLITION AND INCREASED COST OF CONSTRUCTION	\$25,000,000

DIFFERENCE IN CONDITIONS / DIFFERENCE IN LIMITS	\$1,000,000
ERRORS AND OMISSIONS	\$25,000,000
EXPEDITING EXPENSE	\$10,000,000
EXTENDED PERIOD OF LIABILITY	365 consecutive days
EXTRA EXPENSE	\$25,000,000
FINANCIAL INTEREST COVERAGE	\$1,000,000
<b>FINE ARTS</b>	\$10,000,000
FIRE DEPARTMENT SERVICE CHARGES	\$250,000
<i>GROSS PROFIT</i>	12 months
IMPOUNDED WATER	30 consecutive days, not to exceed \$5,000,000
INGRESS / EGRESS	1 statute miles from a covered <b>location</b> 60 consecutive days, not to exceed \$10,000,000
LAND AND WATER CLEANUP, REMOVAL AND DISPOSAL in the <b>annual aggregate</b>	\$1,000,000
LEASEHOLD INTEREST	\$10,000,000
MISCELLANEOUS <b>PERSONAL PROPERTY</b>	\$1,000,000
<b>Miscellaneous Unnamed Locations</b>	\$10,000,000
Mold, Mildew or Fungus directly resulting from a <b>Covered Loss</b>	\$1,000,000
NEIGHBOR'S RECOURSE AND TENANT'S LIABILITY	\$250,000
<b>NEWLY ACQUIRED LOCATIONS</b>	120 consecutive days, not to exceed \$25,000,000
NONADMITTED TAX LIABILITY	\$250,000
OFF PREMISES INTERRUPTION OF SERVICES – PROPERTY DAMAGE and OFF PREMISES INTERRUPTION OF SERVICES – TIME ELEMENT	\$25,000,000

<b>Ordinary Payroll</b>	365 consecutive days
PROFESSIONAL FEES	\$500,000
<b>RADIOACTIVE CONTAMINATION</b>	\$100,000
RENTAL INSURANCE	\$2,500,000
RESEARCH AND DEVELOPMENT	\$1,000,000
<i>SOFT COSTS</i>	\$2,500,000
TAX LIABILITY	\$1,000,000
TRANSIT	\$5,000,000
<b>VALUABLE PAPERS AND RECORDS</b>	\$25,000,000
MOVIE FILMS OWNED BY THIRD PARTIES <b>YOU</b> ARE REQUIRED TO INSURE.	\$2,500,000

LIMITS OF LIABILITY TABLE – PART TWO

COVERAGE	LIMITS OF LIABILITY AND TIME AND DISTANCE LIMITS
<i>EARTH MOVEMENT</i> in the <b>annual aggregate</b>	\$100,000,000
except the following limits apply per <b>occurrence</b> and in the <b>annual aggregate</b> , and are part of and not in addition to the <i>EARTH MOVEMENT annual aggregate</i> limit:	
<ul style="list-style-type: none"> <li>• <b>Covered property</b> situated in: California Earth Movement, Puerto Rico Earth Movement.</li> </ul>	\$25,000,000
Alaska Earth Movement, Hawaii Earth Movement.	\$35,000,000
New Madrid Earth Movement - Zone 1, New Madrid Earth Movement - Zone 2.	\$50,000,000
Pacific NW Earth Movement Zone.	\$50,000,000

<p><b>EARTH MOVEMENT SPRINKLER LEAKAGE</b> in the <b>annual aggregate</b></p> <p>except the following limits apply per <b>occurrence</b> and in the <b>annual aggregate</b>, and are part of and not in addition to the <b>EARTH MOVEMENT SPRINKLER LEAKAGE annual aggregate</b> limit:</p> <ul style="list-style-type: none"> <li>• <b>Covered property</b> situated in: California Earth Movement, Puerto Rico Earth Movement.</li>   <li>Alaska Earth Movement, Hawaii Earth Movement.</li>   <li>New Madrid Earth Movement - Zone 1, New Madrid Earth Movement - Zone 2.</li>   <li>Pacific NW Earth Movement Zone.</li> </ul>	<p style="text-align: right;">\$100,000,000</p> <p style="text-align: right;">\$25,000,000</p> <p style="text-align: right;">\$35,000,000</p> <p style="text-align: right;">\$50,000,000</p> <p style="text-align: right;">\$50,000,000</p>
<p><b>EQUIPMENT BREAKDOWN</b></p> <p><b>PROPERTY DAMAGE</b> and <b>TIME ELEMENT</b> except: The following limits are part of and not in addition to the <b>EQUIPMENT BREAKDOWN</b> limits specified above:</p> <ul style="list-style-type: none"> <li>• Ammonia <b>Contamination</b></li>   <li>• <b>CONTINGENT TIME ELEMENT</b></li>   <li>• Spoilage Damage</li> </ul>	<p style="text-align: right;">Included</p> <p style="text-align: right;">\$1,000,000</p> <p style="text-align: right;">\$5,000,000</p> <p style="text-align: right;">\$1,000,000</p>
<p><b>FLOOD</b> in the <b>annual aggregate</b></p> <p>except the following limits apply per <b>occurrence</b> and in the <b>annual aggregate</b>, and are part of and not in addition to the <b>FLOOD annual aggregate</b> limit:</p> <ul style="list-style-type: none"> <li>• <b>Covered property</b> at <b>locations</b> situated in: Flood Hazard – High</li>   <li>Flood Hazard - Moderate</li> </ul>	<p style="text-align: right;">\$100,000,000</p> <p style="text-align: right;">\$25,000,000</p> <p style="text-align: right;">\$50,000,000</p>
<p><b>NAMED STORM</b></p>	<p style="text-align: right;">Included</p>

## ENDORSEMENT LIMITS OF LIABILITY

Endorsement Number	Endorsement Name	LIMITS OF LIABILITY
SL9101R1	Exclusion of Certified Acts of Terrorism	TRIA Rejected
PZ 00 01 08 16	COMMUNICABLE DISEASE AND BED BUG DECONTAMINATION COST per <b>occurrence</b> and in the <b>annual aggregate</b>	\$250,000
PY 03 03 01 17	GREEN BUILDINGS ENDORSMENT	\$5,000,000 12 Months
PY 04 10 01 17	REMOVAL OF VACANCY CONDITION	All Locations

### L. CANCELLATION TIME SPECIFICATIONS

Cancellation for Nonpayment of Premium	Ten (10) days
Cancellation for All Reasons Other Than Nonpayment of Premium	60 days

### M. DEDUCTIBLES

Subject to the Deductible General Provisions stated below, **we** will not pay unless a **covered loss**, including any insured TIME ELEMENT loss, exceeds the deductible(s) specified below. **We** will then pay the amount of **covered loss** in excess of the deductible, up to the applicable LIMIT OF LIABILITY.

#### Deductible General Provisions

**We** will be liable only if **you** sustain a **covered loss**, including any insured TIME ELEMENT loss, in a single **occurrence** greater than the applicable deductible specified. When this Policy insures more than one (1) **location**, the deductible(s) will apply against the total loss covered by this Policy in an **occurrence** unless otherwise stated.

1. Unless otherwise stated, if two or more deductibles apply to an **occurrence**, the total deductible will not exceed the largest applicable deductible, except as follows:
  - a. When a separate PROPERTY DAMAGE and TIME ELEMENT deductible apply, each will be applied separately.
  - b. If there are multiple **locations** involved in an **occurrence** where two or more deductibles apply to a **location** in an **occurrence**, the largest deductible applying to each **location** will be applied separately to each such **location**, regardless of the number of **locations** involved in the **occurrence**.
  - c. Unless specified otherwise, if deductibles are specified for a **location**, the largest deductible applicable will be applied to that **location** regardless of the number of **locations** involved in the **occurrence**.



- d. Equipment Breakdown: With regard to Equipment Breakdown coverage, if one or more deductible amounts are shown below, each will be applied separately.
  - e. The stated *EARTH MOVEMENT* deductible will be applied to *EARTH MOVEMENT* loss. The stated *FLOOD* deductible will be applied to *FLOOD* loss. The stated *NAMED STORM* deductible will be applied to *NAMED STORM* loss. Provisions **1.a.** and **1.b.** above will also be applied to each.
2. When a percent deductible is specified, whether separate or combined, the deductible amount will be determined as follows:
- a. PROPERTY DAMAGE: The percentage of the total reported values on file with **us** for the **covered property** at the corresponding **location(s)** (including sub-**locations**) where the direct physical loss or damage occurred; plus
  - b. TIME ELEMENT: The percentage of the full TIME ELEMENT values that would have been earned in the 12-month period following the **occurrence**, had no loss occurred, by use of the facilities at the **location** where the direct physical loss or damage occurred, plus that proportion of the full TIME ELEMENT values at all other **locations** where TIME ELEMENT loss ensues that was directly affected by use of such facilities and that would have been earned in the 12-month period following the **occurrence**.
  - c. Equipment Breakdown: The percentage of the gross amount of loss, damage or expense (prior any deductible) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.
3. When a minimum deductible is shown, the minimum deductible is the sum of:
- a. The specific **location** deductible for each covered **location** where the amount of physical loss or damage exceeds the specific **location** deductible; and
  - b. The amount of physical loss or damage for each covered **location** where the amount of physical loss or damage is less than the specific **location** deductible.
4. When an average daily value deductible is provided, this deductible will be determined as follows:
- a. The total amount of TIME ELEMENT loss applicable for the entire **location** where the direct physical loss or damage happens will be included.
  - b. Divide the result in Paragraph **a.** by the number of days the business would have been open during the PERIOD OF LIABILITY. The result is the average daily value.
  - c. Multiply the average daily value in Paragraph **b.** by the number of days specified in the DEDUCTIBLE TABLE below.
- If more than one (1) **location** is included in the valuation of the loss, the average daily value will be the combined value of all affected **locations**.
5. When a per unit deductible is specified, the following shall be considered a separate unit of insurance:
- a. Each separate building, the contents of each separate building and **covered property** in each yard at that covered **location**.
  - b. TIME ELEMENT loss as applicable, including all other **locations** where TIME ELEMENT loss ensues as provided by this Policy.

6. When a time deductible is shown, **we** will not be liable for any loss under that coverage that occurs during that specified time period immediately following the direct physical loss or damage. If a time deductible is shown in days, each day shall mean twenty four (24) consecutive hours.
7. When a deductible is shown in the Declarations for a *NAMED STORM*, the following applies:
  - a. All direct physical loss or damage to **covered property** including TIME ELEMENT loss caused by or resulting from a *NAMED STORM* will be subject to the deductible obtained by calculating all of the following:
    - (1) The sum of all applicable percentage deductibles calculated as described in Deductible General Provisions Item 2. above, subject to any applicable minimums or maximums; and
    - (2) Any other applicable deductible amounts.

DEDUCTIBLE TABLE – PART ONE

Coverage	Deductible Percentage / Amounts
Policy Deductible (except as otherwise indicated) PROPERTY DAMAGE and TIME ELEMENT	\$100,000
All direct physical loss or damage to covered property (including any insured TIME ELEMENT loss) caused by or resulting from Hail or Wind other than wind associated with a NAMED STORM	2% per unit of insurance subject to \$250,000 minimum per location
MOVIE FILMS OWNED BY THIRD PARTIES <b>YOU ARE REQUIRED TO INSURE.</b>	\$5,000
COMMUNICABLE DISEASE AND BED BUG DECONTAMINATION COST	\$25,000

DEDUCTIBLE TABLE – PART TWO

Coverage	Deductible Percentage / Amounts
<i>EARTH MOVEMENT</i> except: <ul style="list-style-type: none"> <li><b>Covered property</b> situated in: California Earth Movement, Alaska Earth Movement, Hawaii Earth Movement, Puerto Rico Earth Movement.</li> </ul> Nevada Earth Movement, New Madrid Earth Movement - Zone 1, New Madrid Earth Movement - Zone 2, Pacific NW Earth Movement Zone.	\$100,000  5% per unit of insurance subject to \$250,000 minimum  2% per unit of insurance subject to \$100,000 minimum
<i>EARTH MOVEMENT SPRINKLER LEAKAGE</i> except: <ul style="list-style-type: none"> <li><b>Covered property</b> situated in: California Earth Movement, Alaska Earth Movement, Hawaii Earth Movement, Puerto Rico Earth Movement.</li> </ul> Nevada Earth Movement, New Madrid Earth Movement - Zone 1, New Madrid Earth Movement - Zone 2, Pacific NW Earth Movement Zone.	\$100,000  5% per unit of insurance subject to \$250,000 minimum  2% per unit of insurance subject to \$100,000 minimum
EQUIPMENT BREAKDOWN  PROPERTY DAMAGE and TIME ELEMENT	  \$100,000

<p><i>FLOOD</i></p> <p>except:</p> <ul style="list-style-type: none"> <li>• <b>Covered property</b> at <b>locations</b> situated in: Flood Hazard - High</li> </ul> <p>Flood Hazard - Moderate</p>	<p style="text-align: right;">\$100,000</p> <p style="text-align: right;">\$500,000 Real Property \$500,000 Personal Property \$100,000 Other applying per location</p> <p style="text-align: right;">\$250,000 applying per location</p>
<p><i>NAMED STORM</i></p> <ul style="list-style-type: none"> <li>• <b>Locations</b> situated in: Named Storm Tier 1 - NC to TX, Named Storm Tier 2 - NC to TX, Named Storm Harris County, TX</li> </ul> <p>Named Storm Florida, Named Storm Hawaii.</p> <p>Named Storm Guam, Saipan, American Samoa, Puerto Rico, and the US Virgin Islands.</p> <p>Named Storm Global Zone 1.</p>	<p>2% per unit of insurance subject to \$100,000 minimum</p> <p>5% per unit of insurance subject to \$250,000 minimum</p> <p>5% per unit of insurance subject to \$250,000 minimum</p> <p>5% per unit of insurance subject to \$250,000 minimum</p>

**OCCURRENCE TIME SPECIFICATIONS**

<i>EARTH MOVEMENT</i>	continuous 72 hours
<i>NAMED STORM</i>	continuous 72 hours

**N. QUALIFYING PERIOD(S)**

A *qualifying period* applies for the coverages shown in the Table below. *Qualifying period* is the period of time that must be exceeded for coverage to apply. Once the *qualifying period* has been exceeded, coverage applies from the initial event of loss.

*QUALIFYING PERIOD TABLE*

Coverage	<i>QUALIFYING PERIOD</i>
COMPUTER SYSTEMS NON PHYSICAL DAMAGE and DATA, PROGRAMS OR SOFTWARE, combined	24 hours
CRISIS MANAGEMENT	24 hours
OFF PREMISES INTERRUPTION OF SERVICES – PROPERTY DAMAGE AND TIME ELEMENT	24 hours

## SECTION II – PROPERTY DAMAGE

### A. COVERED PROPERTY

1. **We** cover **your** insurable interest in the following types of property that are located at or within one-thousand (1,000) feet of a covered **location**, unless otherwise excluded:

- a. **Real Property**, including new buildings, structures and additions in the **COURSE OF CONSTRUCTION**.
- b. **Personal Property**, including *personal property of others*.

*Personal property of others* are tangible things that **you** do not own, other than **real property**, that:

- (1) are sold by **you** and that **you** have agreed, prior to loss, to insure for the account of the purchaser during delivery;
- (2) **you** have agreed in writing prior to any loss or damage to provide coverage;
- (3) are in **your** care, custody or control;
- (4) **you** have an insurable interest in, or an obligation to provide coverage;
- (5) **you** are legally liable for;
- (6) are improvements and betterments consisting of fixtures, alterations, installation or additions comprising part of a building not owned by **you** and acquired or made at **your** expense which **you** cannot legally move, but only to the extent of **your** insurable interest therein; or
- (7) are **personal property** (other than vehicles) of **your** employees and officers.

2. **We** also cover the interest of contractors and subcontractors in **covered property** during construction at or within one-thousand (1,000) feet of a covered **location** to the extent of **your** legal liability for direct physical loss or damage to such property. Such interest of contractors and subcontractors is limited to the property for which they have been hired to perform work and such interest will not extend to any **TIME ELEMENT** coverage provided under this Policy.

### B. PROPERTY NOT COVERED

**We** do not cover the following types of property:

1. Aircraft, except when unfueled and manufactured by **you**;
2. Animals, standing timber including undisturbed natural wooded areas, or growing crops;
3. Bridges or tunnels, however pedestrian walkways connecting buildings are covered;
4. Caves, caverns, mines of any type, or any property contained within them;
5. Contraband or property in the course of illegal transportation or trade;
6. Currency, money, negotiable and non-negotiable instruments, notes or securities;
7. Dams, dikes, levees, docks, wharfs, piers or bulkheads;

8. **Electronic data**, computer programs or software, except when they are stock in process, finished stock manufactured by **you**, raw materials, supplies, other merchandise not manufactured by **you** or as provided in this Policy;
9. Land and any substance in or on land except this exclusion does not apply to **land improvements**;
10. **Land improvements** at a golf course;
11. Overhead transmission and distribution systems located more than one-thousand (1,000) feet away from a covered **location**;
12. *Personal property of others* that is in the care, custody or control of **you** or **your** affiliates for which **you** are acting as a warehouseman, bailee for hire, or carrier for hire.
13. Precious metals or precious stones, except when used in industrial or service operations;
14. Property in transit, except as otherwise provided by this Policy;
15. Property more specifically insured, except for any excess over any LIMITS OF LIABILITY of such more specific insurance;
16. Property sold by **you** under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to **your** customers, except as provided by the DEFERRED PAYMENTS coverage of this Policy;
17. Spacecraft, satellites, associated launch vehicles and any property contained therein;
18. Vehicles otherwise insured for physical loss or damage;
19. Water except this exclusion does not apply to water that is contained within any enclosed tank, piping system or any other processing equipment; or
20. Watercraft, except watercraft **you** manufacture and are part of **your** inventory while being stored un-fueled and on dry land at a covered **location**.

## C. EXCLUSIONS

The following exclusions apply unless otherwise stated in this Policy:

1. **We** do not cover:
  - a. Indirect or remote loss or damage;
  - b. Interruption of business, except to the extent provided by this Policy;
  - c. Loss of market or loss of use;
  - d. Loss or damage or deterioration arising from any delay;
  - e. Mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained loss;
  - f. Loss or damage from enforcement of any law or ordinance:
    - (1) Regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
    - (2) Requiring the demolition of any property, including the cost in removing its debris;





(2) While the United States **Terrorism** Risk Insurance Act (TRIA), as amended, is in effect:

(a) To loss or damage caused by a “Certified Act of **Terrorism**” provided that **you** elected coverage for such, and only to the extent provided by the terms and conditions of the applicable CERTIFIED ACTS OF **TERRORISM** AND DISCLOSURE PURSUANT TO **TERRORISM** RISK INSURANCE ACT endorsement; or

(b) To loss or damage caused by **terrorism** that would have been certified as an “act of **terrorism**”, but was not certified solely because the total of all property and casualty insurance losses resulting from the act failed to exceed the \$5,000,000 “certified act of **terrorism**” threshold specified under TRIA.

b. Nuclear reaction or nuclear radiation or radioactive **contamination**. However, this exclusion does not apply if:

(1) The RADIOACTIVE **CONTAMINATION** PROPERTY DAMAGE COVERAGE AND LIMITATION applies but only to the extent provided; or

(2) Fire directly results from the nuclear reaction, nuclear radiation, or radioactive **contamination**, in which case **we** cover the physical loss or damage caused by the fire but only if there is a statute in effect in the jurisdiction where the loss or damage happens that expressly prohibits the exclusion of fire losses resulting from nuclear reaction, radiation or **contamination**.

c. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by any:

(1) Government or sovereign power (de jure or de facto);

(2) Military, naval or air force; or

(3) Agent or authority of any party specified in (1) or (2) above.

d. Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.

e. The unlawful possession, use, release, discharge, dispersal or disposal of any chemical, biological, viral, radioactive or similar agents or matter, whether in time of peace or war and regardless of who commits the act.

f. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.

g. Seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.

h. Risks of contraband, or illegal transportation or trade.

i. Any criminal, fraudulent or dishonest act, including theft, committed alone or in collusion with others:

(1) By **you** or any proprietor, partner, director, trustee, officer or employee of an Insured; or

(2) By any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by **you** to do anything in connection with property insured under this Policy.

However, **we** do cover direct physical loss or damage intentionally caused by **your** employee or any individual specified in **(2)** above provided that said individuals acted without **your** knowledge.

j. Lack of the following services:

**(1)** Incoming electricity, fuel, water, gas, steam or refrigerant;

**(2)** Outgoing sewerage; or

**(3)** Incoming or outgoing voice, data or video,

all when caused by an event away from the covered **location** except as provided in the ON/OFF PREMISES INTERRUPTION OF SERVICES coverages of this Policy. But, if the lack of such a service causes physical loss or damage of the type insured by this Policy at a covered **location**, then only that resulting damage is covered.

3. **We** do not cover the following, but, if direct physical loss or damage not excluded by this Policy results, then **we** cover that resulting damage only:

a. Faulty workmanship, material, construction or design.

b. Loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.

c. Deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect.

d. Settling, cracking, shrinking, bulging, or expansion of:

**(1)** Foundations (including any pedestal, pad, platform or other property supporting machinery)

**(2)** Floors

**(3)** Pavements

**(4)** Walls, including retaining walls

**(5)** Ceilings

**(6)** Roofs

e. Extremes or changes in temperature (except to machinery or equipment) or changes in relative humidity, all whether atmospheric or not.

f. Cumulative effects of smog, smoke, vapor, liquid and dust.

g. Insect, animal or vermin damage.

h. Loss or damage to the interior portion of buildings under construction caused by rain, sleet or snow, whether or not driven by wind, when the installation of the roof, walls or windows of such buildings has not been completed.

4. **We** do not cover the following unless directly resulting from a **covered loss**:

a. **Contamination**, and any cost due to **contamination** including the inability to use or occupy property or any cost of making property safe or suitable for use or occupancy, except as provided elsewhere in this Policy.

b. Shrinkage.

- c. Changes in color, flavor, texture or finish.
- d. Remediation, change, correction, repair or assessment of any date or time recognition in any **electronic data processing equipment** or media.
- e. Failure of **electronic data processing equipment** or media to correctly recognize, interpret, calculate, compare, differentiate, sequence, access or process data involving one or more dates or times.

#### D. PROPERTY DAMAGE COVERAGES AND LIMITATIONS

**We** provide the following PROPERTY DAMAGE COVERAGES AND LIMITATIONS for a **covered loss** as specified in the LIMITS OF LIABILITY Table in the Declarations, subject to the terms, conditions and exclusions of this Policy.

##### 1. ACCOUNTS RECEIVABLE

- a. **We** cover the following resulting from a **covered loss** to accounts receivable records located while anywhere within the Policy territory, including while in transit:
  - (1) Any shortage in the collection of accounts receivable.
  - (2) The interest charges on any loan to offset such impaired collection pending repayment of such uncollectible sum. Unearned interest and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted in determining the amount recoverable.
  - (3) The reasonable and necessary cost incurred for material and time required to re-establish or reconstruct accounts receivable records excluding any costs covered by any other insurance.
  - (4) Any other necessary and reasonable costs incurred to reduce the loss, to the extent the losses are reduced.
- b. Accounts receivable records include records stored as **electronic data**. In the event of loss, **you** will:
  - (1) Use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding accounts receivable.
  - (2) Reduce the loss by use of any property or service owned or controlled by **you** or obtainable from other sources.
  - (3) Reconstruct, if possible, accounts receivable records so that no shortage is sustained.
- c. The settlement of loss will be made within ninety (90) days from the date of the **covered loss**. All amounts recovered by **you** on outstanding accounts receivable on the date of loss will belong and be paid to **us** up to the amount of loss paid by **us**. All recoveries exceeding the amount paid will belong to **you**.
- d. **We** do not cover shortage resulting from:
  - (1) Bookkeeping, accounting or billing errors or omissions; or
  - (2) Alteration, falsification, manipulation; or
  - (3) Concealment, destruction or disposal, of accounts receivable records committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property; but only to the extent of such wrongful giving, taking, obtaining or withholding.

##### 2. BRANDS AND LABELS

In the event of a **covered loss** to **your** branded or labeled merchandise, and **we** elect to take all or any part of that property, **you** may at **our** expense:

- a. Stamp "salvage" on the property or its containers; or
- b. Remove or obliterate the brands or labels,

if doing so will not damage the property.

**You** must re-label such property or its containers to be in compliance with any applicable law.

### 3. COINSURANCE DEFICIENCY AND CURRENCY DEVALUATION

- a. **We** cover the deficiency in the amount of loss payable under **your local policy**, if any, and its renewals, issued by **us**, or by **our** subsidiaries, partners, or associated insurance companies, solely as the result of:

(1) The application of a coinsurance (or average) clause; or

(2) Official government devaluation of the currency in which the **local policy** is written,

for physical loss or damage of the type insured under such **local policy** to property of the type insured under this Policy.

- b. **You** agree to adjust the Policy values as a result of such devaluation within thirty (30) days after the date of the currency's devaluation. There is no coverage if **you** deliberately underinsure **your** property(ies).

### 4. CONTROL OF DAMAGED GOODS

**We** grant control to **you** of physically damaged **covered property** consisting of finished goods manufactured by or for **you** as follows:

- a. **You** will have full rights to the possession and control of damaged property in the event of physical damage to **your covered property** provided proper testing is done to show which property is physically damaged.
- b. Using reasonable judgment, **you** will decide if the physically damaged **covered property** can be reprocessed or sold.
- c. Property **you** determine to be unfit for reprocessing or selling will not be sold or disposed of except by **you**, or with **your** consent.

Any salvage proceeds received will reduce the recoverable loss.

### 5. COURSE OF CONSTRUCTION

- a. **We** cover direct physical loss or damage at a covered **location** to buildings or structures that **you** begin to construct during the Policy period.
- b. **We** also cover materials, supplies, machinery, equipment and fixtures:
  - (1) At a covered **location** and intended for installation in the new construction;
  - (2) After such property has been delivered to **you** or **your** contractor, and while such property is located offsite at a storage **location**; or

(3) After such property has been delivered to **you** or **your** contractor, and while such property is in transit from a storage **location** to another storage **location** or to a covered **location**.

c. This coverage only applies to the construction of **covered property you** intend to own or occupy once constructed.

d. This coverage does not apply to any property owned or rented by any contractor or subcontractor.

## 6. DATA, PROGRAMS OR SOFTWARE

a. **We** cover direct physical loss or damage to **your electronic data**, computer programs or software, including direct physical loss or damage caused by the malicious introduction of a machine code or instruction, while anywhere within this Policy's territory, including:

(1) The cost of the following reasonable and necessary actions taken by **you** provided such actions are taken due to actual insured physical loss or damage to **electronic data**, computer programs or software:

(a) Actions to temporarily protect and preserve insured **electronic data**, computer programs or software.

(b) Actions taken for the temporary repair of insured physical loss or damage to **electronic data**, computer programs or software.

(c) Actions taken to expedite the permanent repair or replacement of such damaged property.

(2) **Your** reasonable and necessary cost to temporarily protect or preserve covered **electronic data**, computer programs or software against immediately impending direct physical loss or damage to **electronic data**, computer programs or software. In the event that there is no direct physical loss or damage, the costs covered under this item will be subject to the deductible that would have applied had there been such direct physical loss or damage.

b. With respect to destruction, distortion or corruption caused by the malicious introduction of machine code or instruction, this PROPERTY DAMAGE COVERAGE AND LIMITATION will apply only when the *qualifying period* specified in the *Qualifying Period* Table in the Declarations is exceeded.

c. Any amounts recoverable under this PROPERTY DAMAGE COVERAGE AND LIMITATION are excluded from coverage elsewhere in this Policy.

d. This PROPERTY DAMAGE COVERAGE AND LIMITATION excludes loss or damage to **electronic data**, computer programs or software when they are stock in process, finished stock manufactured by **you**, raw materials, supplies or other merchandise not manufactured by **you**.

e. With respect to this PROPERTY DAMAGE COVERAGE AND LIMITATION, the following additional exclusions apply:

(1) Errors or omissions in processing or copying; and

(2) Loss or damage to **electronic data**, computer programs or software from errors or omissions in programming or machine instructions.

## 7. DEBRIS REMOVAL

a. **We** cover **your** reasonable and necessary costs to remove debris from a covered **location** that remains as a direct result of a **covered loss**.

- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION covers the costs of removal of contaminated **covered property** or the **contaminant** in or on **covered property** only if the **contamination**, due to the actual presence of **contaminant(s)**, results from a **covered loss**.
- c. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not cover the costs of removal of:
  - (1) Contaminated uninsured property; or
  - (2) The **contaminant** in or on uninsured property,whether or not the **contamination** results from a **covered loss**.

#### 8. DECONTAMINATION COSTS

- a. **We** cover **your** decontamination costs directly resulting from a **covered loss** at a covered **location** subject to the following conditions:
  - (1) These decontamination costs must be a direct result of enforcement of the law or ordinance that is in force at the time of the loss regulating decontamination; and
  - (2) The amount **we** cover includes the increased cost to remove **your** contaminated **covered property** to comply with the law or ordinance.
- b. **We** do not cover costs required for removing contaminated uninsured property or the **contaminant** therein or thereon, whether or not the **contamination** resulted from a **covered loss**.

#### 9. DEFENSE FOR PERSONAL PROPERTY OF OTHERS

- a. **We** cover the cost to defend that part of any suit against **you** alleging direct physical loss or damage of the type insured by this Policy to personal property of others of the type insured by this Policy, in **your** custody, and while at a covered **location**. **We** may without prejudice undertake any investigation, negotiation or settlement of any such claim or suit as **we** deem appropriate.
- b. **We** do not cover the cost to defend any suit against **you** when **you** are acting as a warehouseman, bailee for hire, or carrier for hire.

#### 10. DEFERRED PAYMENTS

- a. **We** cover direct physical loss or damage to **personal property** of the type insured by this Policy sold by **you** under a conditional sale or trust agreement or any installment or deferred payment plan and after such property has been delivered to the buyer. Coverage is limited to the unpaid balance for such property. In the event of loss to property sold under deferred payment plans, **you** will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding amounts due or to regain possession of the property.
- b. **We** do not cover loss:
  - (1) Pertaining to products recalled including **your** costs to recall, test or to advertise such recall.
  - (2) From theft or conversion by the buyer of the property after the buyer has taken possession of such property.
  - (3) To the extent the buyer continues payments.
  - (4) Not within this Policy's territory.

#### 11. DEMOLITION AND INCREASED COST OF CONSTRUCTION

- a. **We** cover **your** reasonable and necessary costs that are described in Item **b.** below, actually incurred to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of **covered property** consisting of buildings, structures, machinery and equipment at a covered **location**, provided:
  - (1) Such law or ordinance is in force on the date of the **covered loss**;
  - (2) Its enforcement is a direct result of a **covered loss**; and
  - (3) The buildings, structures, machinery and equipment were in compliance with such law or ordinance, regardless of any lack of enforcement, prior to the **covered loss**.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION, as respects the property insured in Item **a.** above, covers:
  - (1) The cost incurred to demolish, repair or rebuild the physically damaged portion of such property with materials and in a manner to satisfy such law or ordinance; and
  - (2) The cost incurred:
    - (a) To demolish the physically undamaged portion of such property insured; and
    - (b) To rebuild it with materials and in a manner to satisfy such law or ordinance,
 

when the demolition of the physically undamaged portion of such property is required to satisfy such law or ordinance, as a result of a **covered loss**.
- c. This PROPERTY DAMAGE COVERAGE AND LIMITATION excludes any costs incurred as a result of the enforcement of any law or ordinance regulating pollution.
- d. The amount **we** cover for this PROPERTY DAMAGE COVERAGE AND LIMITATION at each covered **location** in any one (1) **occurrence** will not exceed the actual cost incurred in demolishing the physically damaged and undamaged portions of the property covered in item **a.** above plus:
  - (1) If rebuilt on the same site, the actual cost incurred in rebuilding there; or
  - (2) If rebuilt on another site, the lesser of:
    - (a) The actual cost incurred in rebuilding on the other site, excluding the cost of land; or
    - (b) The cost that would have been incurred to rebuild on the same site.

## 12. DIFFERENCE IN CONDITIONS/DIFFERENCE IN LIMITS

### a. DIFFERENCE IN CONDITIONS

If there is physical loss or damage in a **foreign location** where there is a **local policy** that applies at that **foreign location**, and due to the difference in the **local policy** terms, including a coinsurance or average clause, the **local policy** does not provide coverage for the loss or damage, **we** cover **your** loss or damage where coverage is provided under the terms and conditions of this Policy and when the **covered loss** or definitions or conditions set forth under this Policy and its endorsements are broader in meaning or scope than those of the **local policy**.

### b. DIFFERENCE IN LIMITS

If there is physical loss or damage in a **foreign location** where there is a **local policy** that applies to such loss or damage in that **foreign location**, and such **local policy** covers, in whole or part, the same

loss or damage as this Policy, **we** cover the difference between the applicable **local policy** limits of liability and the applicable LIMIT(S) OF LIABILITY in this Policy, provided that:

- (1) Coverage is provided under the terms and conditions of this Policy; and
  - (2) The limits of liability under all **local policies** have been exhausted and the deductible(s) under all **local policies** have been applied.
- c. **We** will not be liable for non-recovery under a **local policy** due to insolvency or any financial failure with respect to such **local policy**.
- d. **You** agree that:
- (1) No coverage is provided if **you** are unable to recover in full any loss under any other insurance, if the inability to recover results from **your** failure to comply with any condition of such other insurance.
  - (2) All **local policies** that are in force at the inception of this Policy will be maintained in full force and effect during the term of this Policy. Renewals or replacement of such **local policies** will not be more limited or restrictive than the expiring coverage.
- e. Any coverage provided by the **local policy** that is not provided in this Policy does not extend to this Policy.
- f. The following additional exclusions apply:
- (1) **We** do not cover any loss or damage at any **location** where this Policy acts as the **local policy**.
  - (2) **We** do not cover loss or damage that is covered under any government or national program, pool or scheme.

### 13. ERRORS AND OMISSIONS

- a. If direct physical loss or damage is not covered under this Policy solely because of an error or unintentional omission made by **you**:
- (1) In the description of where **covered property** is physically located; or
  - (2) To include any **location**:
    - (a) Owned, rented or leased by **you** on the effective date of this Policy; or
    - (b) Purchased, rented or leased by **you** during the term of the Policy; or
  - (3) That results in termination of the coverage provided by this Policy, except for cancellation due to nonpayment of premium,
- we** cover the amount **we** would have paid, including any TIME ELEMENT loss, had the error or omission not been made.
- b. This coverage does not apply to the failure to report values, or the reporting of inaccurate values of **covered property**.
- c. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not apply if coverage is provided elsewhere in this Policy.
- d. **You** must report such errors or unintentional omissions to **us** in writing as soon as they are discovered.



#### 14. EXPEDITING EXPENSE

- a. **We** cover **your** reasonable and necessary costs:
  - (1) For the temporary repair of **covered property** from a **covered loss**; and
  - (2) To expedite the permanent repair or replacement of such damaged property.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not cover costs recoverable elsewhere in this Policy, including the cost of permanent repair or replacement of damaged property.

#### 15. FINANCIAL INTEREST COVERAGE

- a. **We** cover **your** financial loss resulting from a **covered loss** to property in a **prohibited jurisdiction** as respects **your** insurable interest and only to the extent the loss is not otherwise insured, provided the local law in the **prohibited jurisdiction** prohibits coverage under, or payment for loss under, nonadmitted insurance, Difference In Conditions Insurance or Difference In Limits Insurance. The most **we** cover is the amount that would have been payable under this Policy if local law allowed coverage under or payment for loss under NONADMITTED INSURANCE, DIFFERENCE IN CONDITIONS or DIFFERENCE IN LIMITS.
- b. Any subsidiary located in any **prohibited jurisdiction** where local law prohibits coverage under or payment for loss under NONADMITTED INSURANCE, DIFFERENCE IN CONDITIONS or DIFFERENCE IN LIMITS, is not party to or a beneficiary under this Policy and has no rights under it.
- c. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not extend to coverage provided elsewhere in this Policy.
- d. This PROPERTY DAMAGE COVERAGE AND LIMITATION applies only in the Policy territory.

#### 16. FINE ARTS

- a. **We** cover direct physical loss or damage to **your fine arts** while anywhere within this Policy's territory, including while in transit.
- b. The following additional exclusions apply:

**We** do not cover:

  - (1) Loss or damage sustained from any repair, restoration, or retouching process;
  - (2) Breakage of art glass windows, statuary, marble, glassware, bric-a-brac, porcelains, and similar fragile articles, unless caused by fire, lightning, aircraft, theft and or attempted theft, windstorm, *EARTH MOVEMENT*, *FLOOD*, explosion, vandalism, collision, derailment or overturn of conveyance.

#### 17. FIRE DEPARTMENT SERVICE CHARGES

**We** cover the reasonable and necessary:

- a. Fire department firefighting charges imposed as a result of responding to a fire in, on or exposing the **covered property**.
- b. Costs incurred by **you** to restore and recharge fire protection systems following a **covered loss**.

#### 18. LAND AND WATER CLEANUP, REMOVAL AND DISPOSAL

- a. For uninsured property at a covered **location** consisting of land, water, or any other substance in or on land or water at a covered **location**, **we** cover **your** reasonable and necessary cost for the cleanup, removal and disposal of the actual presence of **contaminant(s)** from that property if the release, discharge or dispersal of such **contaminant(s)** is a result of a **covered loss**.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not apply:
  - (1) At any **location** insured for **personal property** only;
  - (2) At any **location**, or to any property, covered under the NEWLY ACQUIRED **LOCATIONS** or ERRORS AND OMISSIONS coverages provided by this Policy or at a **Miscellaneous Unnamed Location**; or
  - (3) If **you** fail to give **us** written notice within one hundred eighty (180) days after the loss.

#### 19. MISCELLANEOUS **PERSONAL PROPERTY**

- a. **We** cover direct physical loss or damage, that occurs away from a covered **location** but within the Policy's territory, to **personal property** of the type covered under this Policy, which is:
  - (1) Owned by **you**; or
  - (2) Owned by others and in **your** care, custody and control, but only to the extent **you** are obligated to insure it for direct physical loss or damage under the type of coverage provided under this Policy.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION excludes coverage that is provided elsewhere in this Policy.

#### 20. NEIGHBOR'S RECOURSE AND TENANT'S LIABILITY

- a. **We** cover:
  - (1) **Your** liability as a tenant under the articles of any civil or commercial code because of damage to **covered property** caused by or resulting from direct physical loss or damage;
  - (2) Loss **you** may incur under the articles of any civil or commercial code caused by or resulting from direct physical loss or damage to neighbor's property and co-tenants spreading from a covered **location**; or
  - (3) **Your** liability as landlord under articles of any civil or commercial code, for direct physical loss or damage to **personal property** of tenants resulting from construction defects or lack of maintenance.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION only applies to liability incurred in those countries in which the Napoleonic or a similar Civil or Commercial Code applies, including Belgium, France, the French Territories, Greece, Italy, Luxembourg, Portugal and Spain.

#### 21. NEWLY ACQUIRED **LOCATIONS**

- a. **We** cover physical loss or damage to property of the type insured from a loss of the type insured at any **location you** purchase, lease or rent after the inception date of this Policy.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION applies:
  - (1) From the date of purchase, lease or rental,
  - (2) Until the first of the following occurs:
    - (a) The **location** is bound by **us**;

- (b) Agreement is reached that the **location** will not be insured under this Policy; or
- (c) The time limit specified in the LIMITS OF LIABILITY Table in the Declarations has been reached. The time limit begins on the date of purchase, lease or rental.

## 22. NONADMITTED TAX LIABILITY

- a. **We** cover the net amount required to offset **your** local taxes on income with due consideration to any tax credit or tax relief that accrues, provided that the loss payment under this Policy cannot be made in the country where the loss happened. **We** cover the loss in the currency of this Policy in a country designated by **you** where such payment is legally permissible. **You** will cooperate with **us** in making every reasonable effort to pay the loss or portion of it in the country in which the loss happened.
- b. The actual payment under this coverage will be adjusted and reduced by all appropriate tax credits or tax relief entitled or received by **you** or the local entity where the loss happened provided that an income tax liability is incurred. Any payment under this coverage will be made only after completion and acceptance by **us** of audited tax returns for the period in question for both the country where a payment under this coverage is made and the country where the loss happened.

## 23. OFF PREMISES INTERRUPTION OF SERVICES – PROPERTY DAMAGE

- a. **We** cover physical loss or damage to **covered property** at a covered **location** when such physical loss or damage results from:
  - (1) The interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration, voice, data, video; or
  - (2) The interruption of outgoing sewerage service,by reason of a loss of the type insured by this Policy at the facilities of the supplier of such service located within this Policy's territory, that immediately prevents in whole or in part the delivery of such usable service.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION will apply only when the interruption exceeds the *qualifying period* specified in the *Qualifying Period* Table in the Declarations.
- c. For purposes of this PROPERTY DAMAGE COVERAGE AND LIMITATION, the *period of service interruption* is the period starting with the time when an interruption of specified services occurs; and ending when the service could be wholly restored.
- d. Additional General Provisions:
  - (1) **You** will immediately notify the suppliers of services of any interruption of any such services.
  - (2) **We** will not be liable if the interruption of such services is caused directly or indirectly by **your** failure to comply with the terms and conditions of any contracts **you** have for the supply of such specified services.
- e. **We** do not cover loss or damage caused by or resulting from the use of services provided by or through a satellite.
- f. Exclusion **C.3.e.** does not apply to this PROPERTY DAMAGE COVERAGE AND LIMITATION.

## 24. PROFESSIONAL FEES

- a. **We** cover **your** reasonable costs for **your** employees or auditors, architects, accountants and engineers whom **you** hire to prepare and verify the details of a claim from a **covered loss**.
- b. Professional fees covered under this PROPERTY DAMAGE COVERAGE AND LIMITATION, however, do not include:
  - (1) Any fees or expenses of attorneys;
  - (2) Any fees or expenses of public adjusters, loss appraisers or any of their subsidiaries or associated entities;
  - (3) Fees based on a contingency; or
  - (4) Fees of loss consultants who provide consultation on coverage or negotiate claims.
- c. This PROPERTY DAMAGE COVERAGE AND LIMITATION is subject to the deductible that applies to the loss.

## 25. PROTECTION AND PRESERVATION OF PROPERTY

- a. **We** cover **your** reasonable and necessary costs to temporarily protect or preserve **covered property** provided such actions are necessary due to actual, or to prevent immediately impending threat of, physical loss or damage of the type covered by this Policy to such **covered property**.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION is subject to the deductible provisions that would have applied had the physical loss or damage happened.

## 26. RADIOACTIVE CONTAMINATION

- a. **We** cover radioactive **contamination** to property of the type insured by this Policy from a **covered loss**.

Radioactive **contamination** is:

- (1) Sudden and accidental radioactive **contamination**; or
- (2) Resultant radiation damage to **covered property**,

provided that such radioactive **contamination** arises out of radioactive material at a covered **location** and is used as part of **your** business activities.

- b. **We** do not cover radioactive **contamination** if:

- (1) The covered **location** contains:

- (a) A nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction; or
- (b) Any new or used nuclear fuel intended for or used in such a nuclear reactor.

- (2) The **contamination** arises from radioactive material located away from a covered **location**.

## 27. TAX LIABILITY

**We** cover **your** increase in tax liability from a **covered loss** at a covered **location** if the tax treatment of:

- a. The profit portion of a loss payment involving finished stock manufactured by **you**; and/or
- b. The profit portion of a TIME ELEMENT loss payment;

is greater than the tax treatment of profits that would have been incurred had no loss happened.

## 28. TEMPORARY REMOVAL OF PROPERTY

- a. When **covered property** is removed from a covered **location** for the purpose of being repaired or serviced or in order to avoid threatened physical loss or damage of the type insured by this Policy, **we** cover such property:
  - (1) While at the premises to which such **covered property** has been moved; and
  - (2) For direct physical loss or damage of the type insured by this Policy at the covered **location** from which such **covered property** was removed.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not apply:
  - (1) To **covered property** removed for normal storage, processing or preparation for sale or delivery; or
  - (2) If coverage is provided elsewhere in this Policy or by any other insurance policy.

## 29. TRANSIT

- a. **We** cover **personal property** not excluded elsewhere in this Policy while it is in transit within the Policy's territory:
  - (1) Owned by **you**.
  - (2) Shipped to customers under Free on Board (F.O.B) shipments, Free-Along-Side (F.A.S) shipments and Returned shipments. **Your** contingent interest is admitted.
  - (3) Of others in **your** actual or constructive custody to the extent of **your** interest or legal liability.
  - (4) Of others sold by **you** and **you** agreed prior to the loss to insure the **personal property** during course of delivery including:
    - (a) When shipped by **your** contract service provider or by **your** contract manufacturer to **you** or to **your** customer; or
    - (b) When shipped by **your** customer to **you** or to **your** contract service provider or to **your** contract manufacturer.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION starts from the time the property leaves the original point of shipment for transit, and continues while in the due course of transit until delivered, subject to the following conditions:
  - (1) Coverage on export shipments not insured under ocean cargo policies ends when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies begins after discharge from overseas vessels or aircraft.
  - (2) If this Policy expires during the due course of transit, coverage is extended until the shipment is delivered to its final destination.
- c. **We** also cover:
  - (1) General average and salvage charges on shipments covered while waterborne; and

- (2) Direct physical loss or damage caused by or resulting from:
  - (a) Unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts.
  - (b) Improper parties having gained possession of property through fraud or deceit.

d. Additional General Provisions:

- (1) This PROPERTY DAMAGE COVERAGE AND LIMITATION will not inure directly or indirectly to the benefit of any carrier or bailee.
- (2) **You** have permission, without prejudicing this insurance, to accept:
  - (a) Ordinary bills of lading used by carriers;
  - (b) Released bills of lading;
  - (c) Undervalued bills of lading; and
  - (d) Shipping or messenger receipts.
- (3) **You** may waive subrogation against railroads under side track agreements.
- (4) Except as otherwise stated, **you** will not enter into any special agreement with carriers releasing them from their common law or statutory liability.

e. As respects this PROPERTY DAMAGE COVERAGE AND LIMITATION:

- (1) The following additional exclusions apply:

This Policy excludes:

- (a) Samples in the custody of salespeople or selling agents.
  - (b) Property insured under import or export ocean marine insurance.
  - (c) Waterborne shipments, unless:
    - (i) By inland water; or
    - (ii) By roll-on/roll-off ferries; or
    - (iii) By coastal shipments.
  - (d) Airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.
  - (e) Property of others, including **your** legal liability for it, hauled on vehicles owned, leased or operated by **you** when acting as a common or contract carrier.
  - (f) Any transporting vehicle
  - (g) Property shipped between continents except by land or air within the Policy territory.
- f. **We** will value property covered under this PROPERTY DAMAGE COVERAGE AND LIMITATION as follows:

- (1) Property shipped to or for **your** account will be valued at actual invoice to **you**. Included in the value are accrued costs and charges legally due. Charges may include **your** commission as selling agent.
- (2) Property sold by **you** and shipped to or for the purchaser's account will be valued at **your** selling invoice amount. Prepaid or advanced freight costs are included.
- (3) Property not under invoice will be valued:
  - (a) For **your** property, according to the valuation provisions of this Policy applying at the place from which the property is being transported; or
  - (b) For other property, at the **actual cash value** at the destination point on the date of loss, less any charges saved which would have become due and payable upon arrival at destination.

### 30. VALUABLE PAPERS AND RECORDS

- a. **We** cover physical loss or damage to **your valuable papers and records** from a **covered loss** at a covered **location**. **We** cover the value blank, plus the cost of copying from backup or from originals of a previous generation, and **your** reasonable and necessary costs to research, replace or restore the information lost or damaged thereon, except for **electronic data** and software. For **electronic data** and software, **we** cover the value of the blank media, and the cost of reproducing the **electronic data** and software from duplicates or originals of the previous generation of the data.
- b. This coverage does not apply to loss or damage to property that cannot be repaired or restored with like kind or quality.

## SECTION III – TIME ELEMENT

TIME ELEMENT loss as provided in the TIME ELEMENT COVERAGES and TIME ELEMENT COVERAGES AND LIMITATIONS:

- A. Is subject to and part of the applicable LIMIT OF LIABILITY that applies to **your** direct physical loss or damage but in no event for more than any LIMIT OF LIABILITY that is stated as applying to the specific TIME ELEMENT COVERAGE and/or TIME ELEMENT COVERAGES AND LIMITATIONS; and
- B. Will not increase the POLICY LIMIT OF LIABILITY and is subject to the Policy provisions, including applicable exclusions and deductibles,

all as shown in this section and elsewhere in this Policy.

### A. LOSS INSURED

- 1. **We** cover **your** actual loss sustained, as provided in the TIME ELEMENT COVERAGES and TIME ELEMENT COVERAGES AND LIMITATIONS, directly resulting from a loss of the type insured by this Policy:

- a. To property described elsewhere in this Policy and not otherwise excluded by this Policy,
- b. Used by **you**, or by others with whom **you** have a contract,
- c. At a covered **location** or while in transit as provided by this Policy,
- d. During the applicable PERIOD OF LIABILITY described in this section.

- 2. **We** cover TIME ELEMENT loss only to the extent it cannot be reduced through:

- a. The use of any property or service owned or controlled by **you**;
- b. The use of any property or service obtainable from other sources;
- c. Working extra time or overtime; or
- d. The use of inventory,

all whether at a covered **location** or at any other **location**. When measuring the actual loss sustained, the combined operating results of all of **your** associated, affiliated or subsidiary companies will be considered in determining the TIME ELEMENT loss.

- 3. **We** cover **your** reasonable and necessary expenses to reduce the loss otherwise payable under this section of this Policy. The amount of those recoverable expenses will not exceed the amount by which the insured loss has been reduced.
- 4. In determining the insured TIME ELEMENT loss, **we** will consider the experience of the business before and after and the probable experience during the PERIOD OF LIABILITY. **We** will consider any increase or decrease in demand for **your** goods or services during the PERIOD OF LIABILITY, even if such increase or decrease is from the same event that caused the **covered loss**.

### B. TIME ELEMENT COVERAGES

#### 1. YOUR OPTION

**You** have the option to make a claim based on either:



- a. *GROSS EARNINGS* and EXTENDED PERIOD OF LIABILITY; or
- b. *GROSS PROFIT*,

as described in the TIME ELEMENT section of this Policy and subject to the applicable terms and conditions as may be shown elsewhere.

Such option may be exercised at any time prior to the conditions set forth in the COMPANY OPTION clause in the LOSS CONDITIONS section of this Policy.

If such TIME ELEMENT loss involves more than one (1) covered **location**, including interdependency at one or more covered **locations**, that loss will be adjusted by using the single coverage option chosen above.

## 2. *GROSS EARNINGS*

- a. *GROSS EARNINGS* loss is the actual loss sustained by **you** due to the necessary interruption of **your** business during the PERIOD OF LIABILITY of the following:

Gross Earnings less all charges and expenses that do not necessarily continue during the interruption of production or suspension of business operations or services, plus all other earnings derived from the operation of the business.

**Ordinary payroll**, including taxes and charges dependent on the payment of wages, for a period of time not to exceed the number of consecutive days as specified in the LIMITS OF LIABILITY in the Declarations table immediately following the interruption of production or suspension of business operations or services, and only to the extent such payroll continues following the loss and would have been earned had no such interruption happened.

However, if **you** reduce the daily loss payable under **ordinary payroll**, either by:

- (1) providing gainful employment for, or
- (2) paying less than the normal salary rate to,

all or part of its employees, then the number of consecutive days of **ordinary payroll** may be extended. However, this provision will not increase **our** total liability beyond the amount **we** would have been liable for **ordinary payroll** costs without this provision.

**Ordinary payroll** does not cover any portion of salaries or wages included in Gross Earnings.

- b. *GROSS EARNINGS* will be calculated as follows:

- (1) For manufacturing operations: the net sales value of production less the cost of all raw stock, materials and supplies used in such production; or
- (2) For mercantile or non-manufacturing operations: the total net sales less the cost of merchandise sold, materials and supplies consumed in the operations or services rendered by **you**.

Any amount payable at selling price will be considered to have been sold to **your** regular customers and will be credited against net sales.

- c. In determining the amount **we** cover as the actual loss sustained, **we** will consider the continuation of only those charges and expenses that would have been earned had there been no interruption of production or suspension of business operations or services.

- d. If **you** would have operated at a deficit had no interruption of production or suspension of business operations or services occurred, the following applies:
- (1) For Gross Earnings, the extent to which charges and expenses would have been earned will be determined by subtracting the operating deficits from the charges and expenses that necessarily continue.
  - (2) For **ordinary payroll**, the extent payroll would have been earned will be determined by subtracting the excess, if any, of the operating deficit over the fixed charges that need to continue from such payroll.
- e. We cover TIME ELEMENT loss only to the extent that **you** are:
- (1) Wholly or partially prevented from producing goods or continuing business operations or services;
  - (2) Unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;
  - (3) Unable to continue **your** operations or services during the PERIOD OF LIABILITY; and
  - (4) Able to demonstrate a loss of sales for the operations, services or production prevented.

### 3. GROSS PROFIT

- a. *GROSS PROFIT* loss is the actual loss sustained by **you** of the following due to the necessary interruption of business during the PERIOD OF LIABILITY. **We** cover **your**:
- (1) *Reduction in Sales* is the sum produced by applying the *Rate of Gross Profit* to the amount by which the *sales* during the PERIOD OF LIABILITY will fall short of the *Standard Sales*. In determining the *Reduction in Sales*, any amount recovered under PROPERTY DAMAGE coverage at selling price will be credited against lost *sales*.
  - (2) **Ordinary payroll**, including taxes and charges dependent on the payment of wages, during the PERIOD OF LIABILITY only to the extent such payroll would have been earned had such loss not happened.

However, if **you** reduce the daily loss payable under **ordinary payroll**, either by:

- (a) Providing gainful employment for, or
- (b) Paying less than the normal salary rate to,

all or part of **your** employees, the number of consecutive days of **ordinary payroll** may be extended. This provision will not increase **our** total liability beyond the amount **we** would have been liable for **ordinary payroll** costs without this provision. **Ordinary payroll** does not cover any portion of salaries or wages included in *Net Profit* or *Insured Fixed Charges*.

- (3) *Increase in Cost of Doing Business* is the reasonable and necessary additional expenditure for the sole purpose of avoiding or diminishing the *Reduction in Sales* and a loss of **ordinary payroll** which, but for that expenditure, would have taken place during the PERIOD OF LIABILITY; but not exceeding the sum produced by applying the *Rate of Gross Profit* to the amount of the reduction thereby avoided, less any sum saved during the PERIOD OF LIABILITY with respect to *Insured Fixed Charges* as may cease or be reduced because of the interruption of business.

- b. *GROSS PROFIT*:

The amount produced by adding to the *Net Profit* the amount of *Insured Fixed Charges*, or if there is no *Net Profit*, the amount of *Insured Fixed Charges* less that proportion of any loss from business operations as the amount of *Insured Fixed Charges* bears to all fixed charges.

*Net Profit:*

The net operating profit (exclusive of all capital receipts and accruals and all outlay properly chargeable to capital) resulting from **your** business at the covered **locations** after due provision has been made for all fixed charges and other expenses including depreciation but before the deduction of any taxes on profits.

*Insured Fixed Charges:*

All fixed charges unless specifically excluded herein.

*Sales:*

The money paid or payable to **you** for goods sold and delivered and for services rendered in the conduct of the business at a covered **location**.

*Rate of Gross Profit:*

The *Rate of Gross Profit* earned on the *sales* during the twelve (12) full calendar months immediately before the date of the **covered loss**.

*Standard Sales:*

The *sales* during that period in the twelve months immediately before the date of the **covered loss** which corresponds with the PERIOD OF LIABILITY.

c. In determining the actual loss sustained:

(1) If any fixed charges of the business are not insured hereunder, then, in computing the amount recoverable hereunder as *Increase in Cost of Doing Business*, that proportion only of the additional expenditure will be recoverable hereunder which the sum of the *Net Profit* and the *Insured Fixed Charges* bears to the sum of the *Net Profit* and all the fixed charges.

(2) If during the PERIOD OF LIABILITY goods will be sold or services will be rendered elsewhere than at the covered **locations** for the benefit of the business, either by **you** or by others on **your** behalf, the money paid or payable in respect of such *sales* or services will be included in arriving at the amount of *sales* during the PERIOD OF LIABILITY.

d. **You** will act with due diligence and dispatch in repairing or replacing physically damaged buildings and equipment to the same or equivalent physical and operating conditions that existed prior to the damage; and take whatever actions are reasonable and necessary to minimize the loss payable hereunder.

e. *GROSS PROFIT* Exclusions: As respects *GROSS PROFIT*, the TIME ELEMENT EXCLUSION **D.2** of this section does not apply and the following applies instead:

**We** do not cover any increase in loss due to damages for breach of contract or for late or non-completion of orders, or fines or penalties.

f. Coverage under *GROSS PROFIT* for the *Reduction in Sales* due to contract cancellation will include only those *sales* that would have been earned under the contract during the PERIOD OF LIABILITY.

4. EXTRA EXPENSE

- a. **We** cover **your** reasonable and necessary extra costs of the following incurred during the PERIOD OF LIABILITY applicable:
  - (1) To temporarily continue as nearly normal as practicable the conduct of **your** business; and
  - (2) The temporary use of property or facilities of **yours** or others.
- b. **We** will reduce any recoverable loss under this coverage for any value remaining of any property used to temporarily continue **your** business.
- c. EXTRA EXPENSE does not include:
  - (1) Any loss of income.
  - (2) Costs that would have been incurred in conducting the business during the same period had no physical loss or damage happened.
  - (3) Costs of permanent repair or replacement of property that has been damaged or destroyed.
  - (4) Any expense recoverable elsewhere in this Policy.

## 5. LEASEHOLD INTEREST

- a. **We** cover the following:
  - (1) If the lease agreement requires continuation of rent as a result of a **covered loss**, and if the **covered property** is wholly or partially untenable or unusable, the actual rent payable while the **covered property** is untenable or until the lease is terminated, but not exceeding the unexpired term of the lease.
  - (2) If the **covered property** is partially untenable, **we** cover the proportion of the lease payment for that portion of the untenable **covered property**.
- b. If the lease is cancelled by the lessor pursuant to the lease agreement or by the operation of law, **we** cover the additional cost to rent similar space for the unexpired term of the lease for the damaged property. That loss will be computed at present value, compounded annually at the prime rate plus 2%, as published in the Wall Street Journal on the date the lease terminated. The additional cost will consider the excess rent paid for the same or similar replacement property over actual rent of the original lease, plus cash bonuses or advance rent paid (including maintenance or operating charges) for each month during the unexpired term of the lease.
- c. As respects LEASEHOLD INTEREST, the following applies:
  - (1) **We** do not cover loss directly resulting from physical loss or damage to **personal property**.
  - (2) TIME ELEMENT EXCLUSIONS **D.1.**, **D.2.** and **D.3.** do not apply and the following applies instead:
 

**We** do not cover any increase in loss resulting from the suspension, lapse or cancellation of any license, or from **you** exercising an option to cancel the lease; or from any act or omission by **you** that constitutes a default under the lease.

## 6. RENTAL INSURANCE

- a. **We** cover **your** actual loss sustained of rental income during the PERIOD OF LIABILITY for:
  - (1) The fair rental value of any portion of rental property occupied by **you**;

- (2) The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
- (3) The rental income from the rented portions of such property according to written leases, contracts or agreements in force at the time of loss,

all not to include non-continuing charges and expenses.

- b. RENTAL INSURANCE Exclusions: As respects RENTAL INSURANCE, TIME ELEMENT EXCLUSIONS **D.1.** does not apply and the following applies instead:

**We** do not cover any loss of rental income during any period in which the covered **location** would not have been tenantable for any reason other than a **covered loss**.

### C. PERIOD OF LIABILITY

1. The PERIOD OF LIABILITY applying to CONTINGENT TIME ELEMENT, *GROSS EARNINGS*, EXTRA EXPENSE and RENTAL INSURANCE is as follows:

- a. For building and equipment, the period:

- (1) Starting from the time of physical loss or damage of the type insured; and
- (2) Ending when with due diligence and dispatch the building and equipment could be:
  - (a) Repaired or replaced; and
  - (b) Made ready for operations,under the same or equivalent physical and operating conditions that existed prior to the damage.
- (3) Not to be limited by the expiration of this Policy.

- b. For building(s) and equipment covered under COURSE OF CONSTRUCTION:

- (1) The equivalent of the above period of time will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no physical damage happened; and
- (2) Due consideration will be given to the actual experience of the business after completion of the construction and startup.

2. The PERIOD OF LIABILITY for *GROSS EARNINGS* and EXTRA EXPENSE also includes the following:

- a. For stock-in-process and mercantile stock, including finished goods not manufactured by **you**, the time required with the exercise of due diligence and dispatch:

- (1) To restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and
- (2) To replace physically damaged mercantile stock.

- b. For raw materials and supplies, the period of time:

- (1) Of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but

(2) Limited to that period for which the damaged raw materials and supplies would have supplied operating needs.

c. Impounded Water:

(1) Used for any manufacturing purpose, including as a raw material or for power;

(2) Stored behind dams or in reservoirs; and

(3) On any covered **location**,

that is released as the result of physical damage of the type insured to such dam, reservoir or connected equipment, **our** liability for the actual interruption of production or suspension of operations or services due to inadequate water supply will not extend beyond the number of consecutive days, not to exceed the LIMIT OF LIABILITY specified in the Declarations after the damaged dam, reservoir or connected equipment has been repaired or replaced.

d. For physically damaged exposed films, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

e. For physically damaged or destroyed property covered under DATA, PROGRAMS OR SOFTWARE, the time to recreate or restore including the time for researching or engineering lost information.

3. The PERIOD OF LIABILITY applying to *GROSS PROFIT* is as follows:

a. The period starting from the time of physical loss or damage of the type insured and ending not later than the period of time specified in the LIMITS OF LIABILITY Table in the Declarations during which period the results of the business shall be directly affected by such damage, not to be limited by the expiration of this Policy.

b. For property under construction, the period starting on the date that production, business operation or service would have commenced if physical damage of the type insured had not happened and ending not later than the period of time specified in the LIMITS OF LIABILITY Table in the Declarations, during which period the results of the business shall be directly affected by such damage, not to be limited by the expiration of this Policy.

The *Rate of Gross Profit* and *Standard Sales* will be based on the experience of the business after construction is completed and the probable experience during the PERIOD OF LIABILITY.

4. The PERIOD OF LIABILITY does not include any additional time due to **your** inability to resume operations for any reason, including:

a. Making changes to equipment;

b. Making changes to the buildings or structures except as provided in the DEMOLITION AND INCREASED COST OF CONSTRUCTION clause in the PROPERTY DAMAGE section; and

c. Re-staffing or retraining employees.

If two or more PERIODS OF LIABILITY apply, such periods will not be cumulative.

**D. TIME ELEMENT EXCLUSIONS**

In addition to the exclusions elsewhere in this Policy, the following exclusions apply to TIME ELEMENT loss:

1. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:

- a. Physical loss or damage not insured by this Policy on or off of the covered **location**.
  - b. Planned or rescheduled shutdown.
  - c. Strikes or other work stoppage.
  - d. Any reason other than physical loss or damage insured under this Policy.
2. Any increase in loss due to:
- a. Suspension, cancellation or lapse of any lease, contract, license or orders.
  - b. Damages for breach of contract or for late or noncompletion of orders.
  - c. Fines or penalties.
  - d. Any other consequential or remote loss.
3. Any loss resulting from physical loss or damage to finished goods manufactured by **you**, or the time required for their reproduction.

#### E. TIME ELEMENT COVERAGES AND LIMITATIONS

TIME ELEMENT COVERAGES are extended to include the following, subject to all Policy terms, conditions and exclusions, and the time, distance and/or dollar amounts specified in the LIMITS OF LIABILITY Table in the Declarations:

##### 1. *ATTRACTION PROPERTY*

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE resulting from loss or damage of the type insured by this Policy to property of the type insured at an *attraction property* within the number of statute miles specified in the LIMITS OF LIABILITY Table in the Declarations and during the period of time that:

(1) Starts at the time such physical loss or damage happens;

(2) Ends when the *attraction property* is:

(a) Repaired or replaced; and

(b) Made ready for operations.

- b. As used in this TIME ELEMENT COVERAGE AND LIMITATION, the term *attraction property* is a property that:

(1) Is operated by others; and

(2) **You** depend on to attract customers to **your** covered **location**.

##### 2. CIVIL OR MILITARY AUTHORITY

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the *period of interruption* if an order of civil or military authority prohibits access to a covered **location** provided such order is caused by physical loss or damage of the type insured by this Policy at a covered **location** or within the number of statute miles specified in the LIMITS OF LIABILITY Table in the Declarations.

- b. This TIME ELEMENT COVERAGE AND LIMITATION does not apply to LEASEHOLD INTEREST.

- c. The *period of interruption* for this TIME ELEMENT COVERAGE AND LIMITATION will be the period of time:
  - (1) Starting at the time of such direct physical loss or damage; and
  - (2) Continuing until the order is lifted, or the time limit specified in the LIMITS OF LIABILITY Table in the Declarations expires, whichever happens first.

This period of time is part of and not in addition to any PERIOD OF LIABILITY applying to any coverage provided in the TIME ELEMENT section.

### 3. COMPUTER SYSTEMS NON PHYSICAL DAMAGE

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY directly resulting from the failure of **your electronic data processing equipment** or media to operate, provided that such failure is the direct result of a malicious act directed at **you**.
- b. This TIME ELEMENT COVERAGE AND LIMITATION will apply only when the *period of interruption* is in excess of the *qualifying period* specified in the *Qualifying Period* Table in the Declarations.
- c. As used above, the *period of interruption*:
  - (1) Is the period starting when **your electronic data processing equipment** or media fails to operate and ending when with due diligence and dispatch, **your electronic data processing equipment** or media could be restored to the same or equivalent operating condition that existed prior to the failure.
  - (2) Does not include the additional time to make changes to **your electronic data processing equipment** or media.

### 4. CONTINGENT TIME ELEMENT

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type insured by this Policy at *Direct Dependent Time Element Location(s)* and *Indirect Dependent Time Element Location(s)* located within the territory of this Policy.
- b. **You** agree to take every reasonable and necessary action to mitigate the loss payable hereunder.



c. As used in this Policy, *Direct Dependent Time Element Location(s)* are:

- (1) Any **location(s)** of a direct: customer, supplier, contract manufacturer or contract service provider to **you**; or
- (2) Any **location(s)** of any company under a royalty, licensing fee or commission agreement with **you**.

*Direct Dependent Time Element Location(s)* does not include **location(s)** that are covered **location(s)** under this Policy or the **location(s)** of any company directly or indirectly supplying to, or receiving from **you**, electricity, fuel, gas, water, steam, refrigeration, sewage, voice, data or video.

d. As used in this Policy, *Indirect Dependent Time Element Location(s)* are:

- (1) Any **location(s)** of any company that is a direct: customer, supplier, contract manufacturer or contract service provider to **your Direct Dependent Time Element Location(s)**.

*Indirect Dependent Time Element Location(s)* does not include **location(s)** that are covered **location(s)** under this Policy or the **location(s)** of any company directly or indirectly supplying to, or receiving from, the *Direct Dependent Time Element Location(s)* or the *Indirect Dependent Time Element Location(s)*, electricity, fuel, gas, water, steam, refrigeration, sewage, voice, data or video.

e. As respects CONTINGENT TIME ELEMENT:

- (1) Exclusion **D.3** in the TIME ELEMENT EXCLUSIONS does not apply.

## 5. CRISIS MANAGEMENT

a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY if an order of civil or military authority prohibits access to a covered **location**, but only if such order is a direct result of a violent crime, suicide, attempted suicide or armed robbery at such covered **location**.

b. As respects this TIME ELEMENT COVERAGE AND LIMITATION, coverage applies:

- (1) Only when the PERIOD OF LIABILITY is in excess of the *qualifying period* specified in the *Qualifying Period* Table in the Declarations; and
- (2) For up to the number of consecutive days specified in the LIMITS OF LIABILITY Table in the Declarations, not to exceed the specified LIMIT OF LIABILITY.

The PERIOD OF LIABILITY is the period of time when the time the civil or military authority prohibits access and continuing until the order is lifted, or the time limit specified in the LIMITS OF LIABILITY Table in the Declarations expires, whichever happens first.

## 6. DELAY IN STARTUP

**We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY due to the reasonable and necessary delay in startup of business operations resulting directly from physical loss or damage to **covered property** as provided under COURSE OF CONSTRUCTION.

## 7. EXTENDED PERIOD OF LIABILITY

a. We cover the GROSS EARNINGS loss sustained due to the reduction in sales resulting from:

- (1) The interruption of business;
- (2) Commencing with the date on which our liability for loss resulting from interruption of business would terminate if this TIME ELEMENT COVERAGE AND LIMITATION had not been included in this Policy; and

(3) Continuing for such additional length of time as would be required with the exercise of due diligence and dispatch to restore **your** business to the condition that would have existed had no loss occurred, but no longer than the number of consecutive days specified in the LIMITS OF LIABILITY Table in the Declarations.

b. Coverage under this TIME ELEMENT COVERAGE AND LIMITATION for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the EXTENDED PERIOD OF LIABILITY described in Item 7.a. above.

c. As respects this TIME ELEMENT COVERAGE AND LIMITATION, Item D.2. in the TIME ELEMENT EXCLUSIONS in this section does not apply and the following applies instead:

This Policy does not insure against any increase in loss due to damages for breach of contract or for late or non-completion of orders, or fines or penalties.

## 8. INGRESS / EGRESS

a. **We** cover **your** actual loss sustained and EXTRA EXPENSE due to the necessary interruption of **your** business if ingress to or egress from a covered **location** is prevented, whether or not **your** premises or property is damaged, provided that such prevention is a direct result of physical loss or damage of the type insured to property of the type insured.

b. The *period of interruption* for this TIME ELEMENT COVERAGE AND LIMITATION will be the period of time starting at the time of such direct physical loss or damage, and continuing until ingress or egress is no longer prevented, or for the time limit specified in the LIMITS OF LIABILITY Table in the Declarations, whichever is less.

## 9. OFF PREMISES INTERRUPTION OF SERVICES – TIME ELEMENT

a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the period of service interruption at a covered **location** when the loss is caused by:

(1) The interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration, voice, data, video; or

(2) The interruption of outgoing sewerage service,

from physical loss or damage of the type insured, at the facilities of the supplier of such service located within this Policy's territory that immediately prevents in whole or in part the delivery of such usable services.

b. This TIME ELEMENT COVERAGE AND LIMITATION will apply only when the period of service interruption as described below is in excess of the *qualifying period* specified in the *Qualifying Period* Table in the Declarations.

c. The period of service interruption is:

(1) The period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be wholly restored and the **location** receiving the service could have resumed normal operations following the restoration of service under the same or equivalent physical and operating conditions that existed prior to the interruption of such services;

(2) Is limited to only those hours during which **you** could have used service(s) if it had been available;

(3) Does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).

d. Additional General Provisions:

- (1) **You** will immediately notify the suppliers of services of any interruption of any such services.
- (2) **We** will not be liable if the interruption of such services is caused directly or indirectly by **your** failure to comply with the terms and conditions of any contracts **you** have for the supply of such specified services.
- e. **We** do not cover loss or damage caused by or resulting from the use of services provided by or through a satellite.

#### 10. ON PREMISES INTERRUPTION OF SERVICES – TIME ELEMENT

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY directly resulting from direct physical loss or damage of the type insured to the following property located at or within one-thousand (1,000) feet of a covered **location**:
  - (1) Electrical equipment and equipment used for the transmission of voice, data or video.
  - (2) Electrical, fuel, gas, water, steam, refrigeration, sewerage, voice, data or video transmission systems.

#### 11. PROTECTION AND PRESERVATION OF PROPERTY TIME ELEMENT

- a. **We** cover **your** actual loss sustained for a period of time not to exceed forty eight (48) hours prior to and forty eight (48) hours after **you** first took reasonable action for the temporary protection and preservation of property insured by this Policy provided such action is necessary to prevent immediately impending physical loss or damage of the type insured to such **covered property**.
- b. This TIME ELEMENT COVERAGE AND LIMITATION is subject to the deductible provisions that would have applied had the direct physical loss or damage occurred.

#### 12. RELATED LOCATIONS

If **you** report values at related **locations** used by **you** (e.g. branch stores, retail outlets and other facilities), but such related **locations** are not listed on the latest Schedule of Covered **Locations** submitted to, accepted by and on file with **us**, and if a TIME ELEMENT loss results at such related **locations** due to **covered loss**, **we** cover such resulting TIME ELEMENT loss in accordance with the terms and conditions of this Policy.

#### 13. RESEARCH AND DEVELOPMENT

- a. **We** cover **your** actual loss sustained of fixed charges and **ordinary payroll** directly attributable to the interruption of research and development project(s) that would not have produced income during the PERIOD OF LIABILITY resulting from a **covered loss**.
- b. **We** cover these fixed charges only to the extent they continue after the **covered loss** and only during the PERIOD OF LIABILITY.
- c. To the extent **you** are able to resume operations, **we** cover only that portion of the fixed charges related to that part of the research and development operation that has not yet been restored.

#### 14. SOFT COSTS

- a. **We** cover **your** actual loss sustained of *Soft Costs* during the *period of delay* directly resulting from a delay of completion of **covered property** under construction as provided under COURSE OF CONSTRUCTION as provided in the PROPERTY DAMAGE COVERAGES AND LIMITATIONS.

- b. *Soft Costs* are costs over and above those that are normal at a covered **location** undergoing renovation or in the course of construction, limited to the following:
- (1) Construction loan fees – **your** additional cost to rearrange loans necessary for the completion of construction, repairs or reconstruction including: the cost to arrange refinancing, accounting work necessary to restructure financing, legal work necessary to prepare new documents, charges by the lenders for the extension or renewal of loans necessary.
  - (2) Commitment fees, leasing and marketing expenses – the cost of returning any commitment fees received from prospective tenant(s) or purchaser(s), the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s).
  - (3) Additional fees for architects, engineers, consultants, attorneys and accountants needed for the completion of construction repairs or reconstruction.
  - (4) Property taxes, building permits, additional interest on loans, realty taxes and insurance premiums.
- c. *Period of delay* is the period of time between:
- (1) The date on which the construction, alteration, extension or renovation would have been complete in the absence of a **covered loss** to property under construction as provided under COURSE OF CONSTRUCTION as provided in the PROPERTY DAMAGE COVERAGES AND LIMITATIONS; and
  - (2) The date on which construction, alteration, extension or renovation is actually complete.

## SECTION IV – DESCRIBED LOSSES

**We** only cover the following DESCRIBED LOSSES as specified in the LIMITS OF LIABILITY Table in the Declarations, subject to the terms, conditions and exclusions of this Policy.

### A. EARTH MOVEMENT

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS as provided by this Policy, from a **covered loss** resulting from *EARTH MOVEMENT*.
2. **You** may elect when the time specified in the **OCCURRENCE** TIME SPECIFICATIONS begins.
3. *EARTH MOVEMENT* is:

Earthquake, landslide, subsidence or sinking, rising or shifting of the earth, avalanche, whether natural or man-made, or volcanic eruption; regardless of any other cause or event contributing concurrently or in any other sequence of loss.

However, physical loss or damage from fire, explosion, sprinkler leakage or *FLOOD* caused by *EARTH MOVEMENT* will not be considered to be loss by *EARTH MOVEMENT* within the terms and conditions of this Policy.

### B. EARTH MOVEMENT SPRINKLER LEAKAGE

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS as provided by this Policy, resulting from sprinkler leakage caused by *EARTH MOVEMENT*.

### C. EQUIPMENT BREAKDOWN

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS, as provided by this Policy if such loss or damage is caused by an *accident* to *covered equipment*.

The coverage provided in this DESCRIBED LOSS is limited to loss or damage caused by an *accident* to *covered equipment*. **We** will not pay for physical loss or damage from any other cause under this DESCRIBED LOSS.

The following coverages apply solely to Equipment Breakdown:

#### a. Spoilage Damage

**We** cover physical loss or damage caused by change in temperature or humidity or by the interruption of power, heat, air-conditioning, or refrigeration as the result of an *accident* to *covered equipment*.

#### b. Ammonia Contamination

**We** cover physical loss or damage to **covered property** contaminated by ammonia, including any salvage expense as a direct result of an *accident* to *covered equipment*. No coverage for Ammonia **Contamination** is available under DECONTAMINATION COSTS with respects to an *accident* to *covered equipment*.

## 2. Conditions

### a. Suspension

If coverage for Equipment Breakdown is provided by this Policy, and **we** discover a dangerous condition relating to an object, **we** may immediately suspend the insurance provided by this coverage for that *covered equipment* by written notice mailed or delivered to **you** either at **your** address or at the **location** of any object. Suspended insurance may be reinstated by **us**, but only by an endorsement issued as part of this Policy. **You** will be credited for the unearned portion of the premium paid for the suspended insurance, pro rata, for the period of suspension.

## 3. Valuation

If *covered equipment* requires replacement due to an *accident*, **we** cover **your** additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

- a. However, **we** do not cover more than 150% of what the cost would have been to repair or replace *covered equipment* with like kind and quality.
- b. This does not apply to any property subject to valuation based on **actual cash value**, nor does this provision increase any other applicable LIMIT OF LIABILITY.
- c. The PERIOD OF LIABILITY will not be increased by any of the above.

## 4. Definitions

- a. *Accident*: Physical loss or damage to *covered equipment* that necessitates its repair or replacement due to:

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical breakdown including rupture or bursting caused by centrifugal force;
- (3) Artificially generated electrical current, including electrical arcing that damages electrical devices, appliances or wires; or
- (4) Explosion of:
  - (a) Steam boiler
  - (b) Electric steam generator
  - (c) Steam piping
  - (d) Steam turbine
  - (e) Moving or rotating machinery when such explosion is caused by centrifugal force,

unless such loss or damage is otherwise excluded within this Policy.

*Accident* does not include:

- (5) Fire, including water or other means used to extinguish the fire;
- (6) Malfunction, misalignment, miscalibration, tripping off line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning or by the performance of maintenance;

- (7) Combustion explosion;
- (8) Discharge of molten material from equipment including the heat from such discharged materials;
- (9) Lightning;
- (10) Depletion, deterioration, rust, corrosion, erosion, settling, or wear or tear or any other gradually developing condition;
- (11) Defects, erasures, error limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to *covered equipment*;
- (12) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (13) Damage to any structure or foundation supporting the *covered equipment* or any of its parts;
- (14) Any loss or damage caused by or resulting from any type of electrical insulation breakdown test;
- (15) Any loss or damage caused by or resulting from any type of hydrostatic, pneumatic or gas pressure test;
- (16) The functioning of any safety or protective device; or
- (17) The cracking of any part on an internal combustion turbine exposed to the products of combustion.

**b. *Covered equipment.***

- (1) Equipment that generates, transmits, controls or utilizes energy; including electronic communications and data processing equipment; and
- (2) Equipment which, during normal usage, operates under vacuum or pressure, other than weight of contents.

*Covered equipment* does not mean or include:

- (3) **Electronic data;**
- (4) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (5) Insulating or refractory material;
- (6) Nonmetallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or other appropriate and approved code;
- (7) Catalyst;
- (8) Buried vessels or piping; waste, drainage or sewer piping; piping, valves or fittings forming part of a sprinkler or fire suppression system; water piping that is not part of a closed loop used to conduct heat or cooling from a boiler or a refrigeration or air conditioning system;
- (9) Structure, foundation, cabinet or compartment supporting or containing the *covered equipment* or part of the *covered equipment* including penstock, draft tube or well casing;
- (10) Vehicle or any *covered equipment* that is mounted on or used solely with a vehicle;

- (11) Dragline, excavation or construction equipment including any *covered equipment* that is mounted on or used solely with any one or more dragline(s), excavation or construction equipment;
  - (12) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, nonelectrical cable, chain, belt, rope, clutch plate, brake pad, nonmetal part or tool subject to periodic replacement;
  - (13) Cyclotron used for other than medical purposes, satellite or spacecraft including any *covered equipment* mounted on or used solely with any satellite or spacecraft;
  - (14) Equipment manufactured by **you** for sale.
- c. *Production machinery* is any machine or apparatus that processes, forms, cuts, shapes, grinds, or conveys raw materials, materials in process or finished products including any *covered equipment* that is mounted on or used solely with any one or more production machines or apparatus.

#### D. FLOOD

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS as provided by this Policy, from a **covered loss** resulting from *FLOOD*.
2. *FLOOD* is:
  - a. Surface waters; rising waters; storm surge, wave wash; waves; tsunami; tide or tidal water; the release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray therefrom; all whether driven by wind or not;
  - b. Sewer back-up resulting from any of the foregoing; or
  - c. Mudslide or mudflow caused by or resulting from surface water, runoff or accumulation of water on or under the ground;

regardless of any other cause or event, whether natural or man-made, contributing concurrently or in any other sequence of loss.

**Covered loss** from *FLOOD* associated with a storm or weather disturbance whether or not identified by name by any meteorological authority is considered to be *FLOOD* within the terms of this Policy. However, physical loss or damage from fire, explosion or sprinkler leakage caused by *FLOOD* will not be considered to be loss by *FLOOD* within the terms and conditions of this Policy.

#### E. NAMED STORM

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS as provided by this Policy, from a **covered loss** resulting from a *NAMED STORM*. However, physical loss or damage caused by fire, explosion, sprinkler leakage or *FLOOD* will not be considered loss by *NAMED STORM* within the terms and conditions of this Policy.
2. **You** may elect when the time specified in the **OCCURRENCE** TIME SPECIFICATIONS begins.

*NAMED STORM* is any storm or weather disturbance that is named by the U. S. National Oceanic and Atmospheric Administration (NOAA) or the U. S. National Weather Service or the National Hurricane Center or any authorized meteorological authority in the country where the storm or weather disturbance happened.



## SECTION V - GENERAL POLICY CONDITIONS

### A. ASSIGNMENT

**Your** assignment of this Policy will not be valid except with **our** written consent.

### B. CANCELLATION

1. **You** 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 **you** written notice of cancellation at least:
  - a. ten (10) days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
  - b. thirty (30) days or the number of days specified in the CANCELLATION TIME SPECIFICATIONS, whichever is greater, before the effective date of cancellation if **we** cancel for any other reason.
3. **We** will mail or deliver **our** written notice of cancellation to **your** last mailing address known to **us**.
4. **Our** written notice of cancellation will state the effective date of cancellation and the Policy period will end on that date.
5. If this Policy is cancelled, **we** will send **you** any premium refund due. If **we** cancel, the refund will be pro rata. If **you** cancel, the refund may be less than pro rata. The cancellation will be effective even if **we** have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### C. CONCEALMENT, MISREPRESENTATION OR FRAUD

This entire Policy is void, if with the actual intent to deceive

1. **You**;
2. **Your** representatives; or
3. Any insured;

commit fraud or conceal or misrepresent a fact or circumstance concerning:

- a. This Policy;
- b. The **covered property**;
- c. **Your** interest in the **covered property**; or
- d. A claim under this Policy.

#### D. CONFORMITY TO STATUTES

Any provisions required by law to be included in policies issued by **us** shall be deemed to have been included in this Policy.

If the provisions of this Policy conflict with the laws of any jurisdictions in which this Policy applies, and if certain provisions are required by law to be stated in this Policy, this Policy shall be read so as to eliminate such conflict or deemed to include such provisions for covered **locations** within such jurisdictions.

#### E. INSPECTION

1. During the period of this Policy, **we** will be permitted, but not obligated, to inspect the **covered property**. **Our** right to inspect, the performance of or failure to inspect, and any report arising out of an inspection will not constitute an undertaking or imply that the property is safe, healthful, or in compliance with laws, regulations, codes or standards.
2. 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.

**We** will have no liability to **you** or others because of any inspection or failure to inspect, or on account of anyone's use or reliance upon any report or other information generated during the course of, or as a result of any inspection.

#### F. LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS

1. When specified in the Policy or in Certificates of Insurance on file with **us**, **we** cover loss to specified property insured under this Policy to each specified Lender Loss Payee (hereinafter referred to as Lender) as its interest may appear, and to each specified Mortgagee as its interest may appear.
2. The interest of the Lender or Mortgagee (as the case may be) in property insured under this Policy will not be invalidated by:
  - a. Any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.
  - b. Foreclosure, notice of sale, or similar proceedings with respect to the property, but only to the extent of a deficiency as provided by state law.
  - c. Change in the title or ownership of the property.
  - d. Change to a more hazardous occupancy.

The Lender or Mortgagee will notify **us** of any known change in ownership, occupancy, or hazard and, within ten (10) days of **our** written request, may pay the increased premium associated with such known change. If the Lender or Mortgagee fails to pay the increased premium, all coverage under this Policy will cease.

3. If this Policy is cancelled at **your** request or by the request of **your** agent, the coverage for the interest of the Lender or Mortgagee will terminate ten (10) days after **we** send to the Lender or Mortgagee written notice of cancellation, unless:
  - a. Sooner terminated by authorization, consent, approval, acceptance, or ratification of **your** action by the Lender or Mortgagee, or its agent.
  - b. This Policy is replaced by **you**, with a Policy providing coverage for the interest of the Lender or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement Policy, notwithstanding any other provision of this Policy.

4. **We** may cancel this Policy and/or the interest of the Lender or Mortgagee under this Policy, by giving the Lender or Mortgagee written notice thirty (30) days or the number of days specified in the CANCELLATION TIME SPECIFICATIONS, whichever is greater, prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this Policy, **we** may cancel this Policy for such non-payment, but will give the Lender or Mortgagee written notice ten (10) days prior to the effective date of cancellation. If the Lender or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this Policy will cease.
5. If **we** pay the Lender or Mortgagee for any loss, and deny payment to the debtor, mortgagor or owner, **we** will, to the extent of the payment made to the Lender or Mortgagee be subrogated to the rights of the Lender or Mortgagee under all securities held as collateral to the debt or mortgage. No subrogation will impair the right of the Lender or Mortgagee to sue or recover the full amount of its claim. At **our** option, **we** may pay to the Lender or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Lender or Mortgagee to **us**, and the remaining debt or mortgage will be paid to **us**.
6. If **you** fail to render proof of loss, the Lender or Mortgagee, upon notice of **your** failure to do so, will render proof of loss within sixty (60) days of notice and will be subject to the provisions of this Policy relating to APPRAISAL, COMPANY OPTION, and SUIT AGAINST THE COMPANY.
7. In the event of a claim, upon request by **us**, the Lender or Mortgagee will cooperate in any claim investigation.
8. In no event will the amount payable to a Lender or Mortgagee exceed the amount which would otherwise have been payable to **you**.

#### G. LIBERALIZATION

If during the period that insurance is in force under this Policy, any filed rules or regulations affecting the same are revised by statute in any State or jurisdiction within the United States of America so as to broaden the insurance without additional premium charge, such extended or broadened insurance will inure to **your** benefit within such jurisdiction, effective the date of the change specified in such statute.

#### H. NO REDUCTION BY LOSS

Except for those coverages written with an **annual aggregate** LIMIT OF LIABILITY, **we** cover a **covered loss** without reducing any other applicable LIMIT OF LIABILITY. The reinstatement of any exhausted **annual aggregate** is not permitted unless authorized by **us** in writing.

#### I. NONADMITTED INSURANCE

1. **We** provide primary insurance coverage only for those **foreign locations** covered under this Policy that do not have other primary or **local policy** insurance.
2. The insurance provided by this Policy may be considered to be nonadmitted insurance in some of the **foreign locations** in which coverage is provided. In such countries **you** may be required by local jurisdiction(s) to purchase compulsory insurance from locally admitted insurance carriers and **we** and **our** subsidiaries, partners or associated insurance companies will not be responsible for any fines, penalties, taxes or other costs imposed by any jurisdiction on any party for **your** failure to do so.
3. Where this Policy is nonadmitted insurance, **we** and **our** subsidiaries, partners or associated insurance companies are not responsible for providing any locally required bonds, Certificates of Insurance, Loss Payable Endorsements, Mortgagee Endorsements or any other documents as evidence of insurance.
4. This Policy does not substitute for any local compulsory insurance which may be required by any jurisdiction and the placement of such compulsory insurance is the responsibility of **you** or **your** agent. If **you** or **your** agent have not arranged or do not arrange the placement of compulsory admitted insurance in those jurisdictions which require it, the insurance afforded under this Policy will respond to physical loss or

damage as if such compulsory insurance had been placed.

#### J. NONRENEWAL

1. If **we** decide not to renew this Policy, **we** will mail or deliver a written notice of nonrenewal to **you** at least sixty (60) days before the expiration date of this Policy. Notice will be sent to **your** last mailing address known to **us**. **We** will state the reason for nonrenewal.
2. Proof of mailing will be sufficient evidence of notice.

#### K. OTHER INSURANCE

1. **We** will not be liable if, at the time of loss or damage, there is any other insurance that would apply in the absence of this Policy; except that this Policy will apply only as excess or DIFFERENCE IN CONDITIONS / DIFFERENCE IN LIMITS and in no event as contributing insurance, and then only after all other insurance has been exhausted, notwithstanding paragraph **5.** below.
2. **We** will not be liable if, at the time of loss or damage, there is any insurance with the National Flood Insurance Program (NFIP), except that this Policy shall apply only as excess and in no event as contributing insurance, and then only after all NFIP insurance has been exhausted.
3. **We** will not be liable if, at the time of loss or damage, there is any insurance for the construction of new buildings and additions under a specific policy for the construction of such new buildings and additions, except that this Policy shall apply only as excess and in no event as contributing insurance, and then only after all specific insurance has been exhausted.
4. **We** will not be liable if, at the time of loss or damage, there is any insurance for stock under a specific policy for such stock, except that this Policy shall apply only as excess and in no event as contributing insurance, and then only after all specific insurance has been exhausted.
5. If this Policy is deemed by law to contribute to a loss with other insurance, **we** will pay only **our** proportionate share of the loss, up to the applicable LIMIT OF LIABILITY. **Our** share will be the proportion that the applicable LIMIT OF LIABILITY of this Policy bears to the total applicable LIMITS OF LIABILITY available from all insurance.
6. **You** are permitted to have other insurance over any LIMITS OF LIABILITY specified in this Policy.
7. The existence of such insurance will not reduce any LIMIT OF LIABILITY in this Policy.
8. To the extent this Policy replaces another Policy, coverage under this Policy shall not become effective until such other Policy has terminated.
9. **You** are permitted to have other insurance for all, or any part, of any deductible in this Policy. The existence of such other insurance will not prejudice recovery under this Policy. If the limits of liability of such other insurance are greater than this Policy's applicable deductible, this Policy's insurance will apply only as excess and only after such other insurance has been exhausted.

#### L. PAIR, SET OR PARTS

In the event of a **covered loss** to an article that is part of a pair or set, **our** payment for that loss will be:

1. The cost to repair or replace any part to restore the pair or set to its value before the loss; or
2. The difference between the value of the pair or set before and after the loss.

In no event will the loss of part of a pair or set be regarded as a total loss of the pair or set.

## M. POLICY MODIFICATION

This Policy contains all of the agreements between **you** and **us** concerning this insurance. **You** and **we** may request changes to this Policy. Only endorsements issued by **us** and made a part of this Policy can change this Policy.

Notice to any agent or knowledge possessed by any agent or by any other person will not create a waiver or change any part of this Policy or prevent **us** from asserting any rights under the Policy.

## N. PROVISIONS APPLICABLE TO SPECIFIED FOREIGN LOCATIONS

### 1. Australia

**We** do not cover:

- a. Loss or damage caused by any event that is a Declared Terrorist Incident under the **Terrorism Insurance Act 2003** in Australia, regardless of any cause or event contributing concurrently or in any other sequence to the loss.
- b. Any TIME ELEMENT loss at any covered **location** resulting from **a.** above.

### 2. Belgium

**We** do not cover:

- a. Loss or damage caused by any event that is defined as **terrorism** in accordance with the Law of 1 April 2007 in Belgium, regardless of any cause or event contributing concurrently or in any other sequence to the loss.
- b. Coverage provided, in accordance with the terms and conditions of the **Terrorism Reinsurance and Insurance Pool Statute** is excluded from coverage under this Policy.
- c. Any TIME ELEMENT loss at any covered **location** resulting from **a.** or **b.** above.

### 3. France and the French Territories

**We** do not cover:

- a. Loss or damage caused by any event declared as a natural disaster pursuant to French Law No. 82-600 of 13 July 1982 as amended by subsequent legislation; or
- b. Loss or damage directly or indirectly caused by any *act of terrorism* in France and in French Territories regardless of any cause or event contributing concurrently or in any other sequence to the loss.

As used herein only, the term *act of terrorism* means any act defined in Article 421-1 and Article 421-2 of the French Penal Act and any subsequent regulations.

- c. Any TIME ELEMENT loss at any covered **location** resulting from **a.** or **b.** above.

#### 4. Germany

**We** do not cover:

**a.** Loss or damage caused by **sturmflut** in:

- (1) Schleswig-Holstein;
- (2) Niedersachsen;
- (3) Mecklenburg-Vorpommern;
- (4) Bremen; and
- (5) Hamburg;

all in Germany.

**b.** Any TIME ELEMENT loss at any covered **location** resulting from **a.** above.

#### 5. Great Britain

**We** do not cover:

**a.** In respect of England, Wales and Scotland only, but not the territorial seas adjacent thereto as defined by the Territorial Sea Act of 1987, loss or damage caused by:

- (1) Any *act of terrorism*, regardless of any other cause or event contributing concurrently or in any other sequence to such *act of terrorism*; and
- (2) Any action taken:
  - (a) In controlling, preventing or suppressing any *act of terrorism*; or
  - (b) In any other way related to any *act of terrorism*.

As used herein only, the term *act of terrorism* means any act of persons acting on behalf of, or in connection with, any organization which carries out activities directed towards the overthrowing or influencing, by force or violence, of the government of the United Kingdom or any other government de jure or de facto.

**b.** Any TIME ELEMENT loss at any covered **location** resulting from **a.** above.

#### 6. Namibia and South Africa

**We** do not cover:

**a.** Loss or damage in Namibia or South Africa caused by any event for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any other similar Act operative in Namibia or South Africa; regardless of any cause or event contributing concurrently or in any other sequence to the loss; or

**b.** Any TIME ELEMENT loss at any covered **location** resulting from **a.** above.

Conditions of payment or delays in payment under such Act does not nullify this exclusion.

## 7. Netherlands

**We do not cover:**

- a. Loss or damage caused by any event that is defined as **terrorism** in accordance with Dutch **Terrorism** Risk Reinsurance Company's terms and conditions, regardless of any cause or event contributing concurrently or in any other sequence to the loss.
- b. Any difference in limit between loss recoverable from Dutch **Terrorism** Risk Reinsurance Company (NHT) and this Policy is not recoverable under this Policy.
- c. Loss or damage caused by or resulting from the failure or overflowing of dikes, dams, floodgates or other similar works, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss. However, if there is ensuing physical loss or damage by fire or explosion, the exclusion does not apply to the loss or damage caused by the fire or explosion; or
- d. Any TIME ELEMENT loss at any covered **location** resulting from **a.**, **b.** or **c.** above.

## 8. Northern Ireland

**We do not cover:**

- a. Loss or damage in Northern Ireland caused by any event which falls under the Criminal Damage (Compensation) (Northern Ireland) Order 1977 (No. 1247 (N.I. 14)) regardless of any other cause or event contributing concurrently or in any other sequence; and
- b. Any TIME ELEMENT loss at any covered **location** resulting from **a.** above.

Conditions of payment or delays in payment under such Order does not nullify this exclusion.

## 9. Norway

**We do not cover:**

- a. Loss or damage in Norway caused by any event which falls under the Norwegian Natural Damage Insurance Act (Act. No. 70 of June 16, 1989) as amended by subsequent legislation regardless of any other cause or event contributing concurrently or in any other sequence; or
- b. Any TIME ELEMENT loss at any covered **location** resulting from **a.** above.

Conditions of payment or delays in payment under such Act does not nullify this exclusion.

## 10. Spain

**We do not cover:**

- a. Loss or damage in Spain or in any Spanish Territory which:
  - (1) Falls under the regulation of the Consorcio de Compensacion de Seguros (Consorcio); and
  - (2) Is declared by the Consorcio to be within the conditions of the coverage it provides;
- b. Loss or damage in Spain or any Spanish Territory directly or indirectly caused by or through or in consequence of any events leading to the declaration of a state of emergency, otherwise known as Calamidad Nacional, by the Spanish Government; or

- c. Any TIME ELEMENT loss at any covered **location** resulting from **a.** or **b.** above.

Conditions of payment or delays in payment by the Consorcio or by the Spanish Government, in the case of Calamidad Nacional, does not nullify this exclusion.

#### O. TITLES

The titles of the paragraphs of this Policy and of any endorsements attached to it are only for reference. They do not affect the terms to which they relate.

#### P. TRANSFER OF RIGHTS AND DUTIES

**Your** rights and duties under this Policy may not be transferred without us giving written consent.

#### Q. VACANCY

1. If any of **your real property** is vacant at the inception of this Policy, or becomes vacant, and remains vacant for more than sixty (60) consecutive days, during the Policy period, **you** must:
  - a. Notify **us** in writing of the vacancy prior to loss or damage; and
  - b. Maintain in complete working order the protective safeguards present prior to the vacancy. Protective safeguards include:
    - (1) Automatic sprinkler systems;
    - (2) Fire alarm systems;
    - (3) Guard or watchman services;
    - (4) Burglary systems; and
    - (5) Monitoring systems.
2. If the above requirements are not met, then in addition to the other terms, conditions, limitations and exclusions in this Policy, **we** will:
  - a. Not pay for any loss or damage caused by or resulting from any of the following:
    - (1) Breakage of building glass;
    - (2) Mold, mildew or fungus;
    - (3) Sprinkler leakage, unless the system has been protected against freezing;
    - (4) Theft or attempted theft;
    - (5) Vandalism;
    - (6) Malicious mischief; or
    - (7) Water damage.
  - b. Not pay under DEMOLITION AND INCREASED COST OF CONSTRUCTION;
  - c. Value the loss or damage for the vacant **real property** (including any loss or damage to **personal property**) at the time of loss at the lesser of:
    - (1) The **actual cash value**;
    - (2) The actual cost to repair; or
    - (3) The selling price, less all saved expenses, if it was being offered or listed for sale at the time of loss.
3. **Real property** is considered vacant when it does not contain sufficient property and personnel to conduct **your** customary business operations.
4. **Real property** is not considered vacant during its ongoing construction or renovation.



## R. VALUATION

1. Adjustment of the physical loss or damage amount under this Policy will be computed as of the date of loss or damage at the place of the loss or damage. Unless stated otherwise in a PROPERTY DAMAGE COVERAGE AND LIMITATION, adjustment of physical loss or damage to **covered property** will be subject to the following:
  - a. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.
  - b. On finished goods manufactured by **you**, the regular cash selling price, less all discounts and charges to which the finished goods would have been subject had no physical loss or damage happened.
  - c. On raw materials, supplies or merchandise not manufactured by **you**:
    - (1) If repaired or replaced, **your** actual expenditure in repairing or replacing the damaged or destroyed property; or
    - (2) If not repaired or replaced, the **actual cash value**.
  - d. On exposed films, records, manuscripts and drawings that are not **valuable papers and records**, the value blank plus the cost of copying information from back-up or from originals of a previous generation. These costs will not include research, engineering or any costs of restoring or recreating lost information.
  - e. On property that is:
    - (1) Damaged by fire that directly results from **terrorism** or nuclear reaction; and
    - (2) Is located in a jurisdiction that has a statute that expressly prohibits the exclusion of fire losses resulting from **terrorism** or nuclear reaction,the **actual cash value** of the fire damage. Any remaining fire damage not attributable to **terrorism** or nuclear reaction shall be adjusted according to the terms and conditions of the Valuation clause(s) in this section of the Policy.
  - f. On computer equipment of others which **you** are required to insure for direct physical loss or damage while being installed, maintained or repaired, the cost to replace with new if so specified in the contract between **you** and **your** customer.
  - g. On Data, Programs and Software, the actual cost incurred to repair, replace or restore data, programs or software including the costs to recreate and research.
  - h. On **Fine Arts**, the loss amount will not exceed the lesser of the following:
    - (1) The cost to repair or restore such property to the physical condition that existed on the date of loss;
    - (2) The cost to replace; or
    - (3) The stated value on file with **us**.
  - i. On all other property, the lesser of the following:
    - (1) The cost to repair.
    - (2) The cost to rebuild or replace on the same site with new materials of like size, kind and quality.

- (3) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss.
  - (4) The selling price of **real property** or machinery and equipment, other than stock, offered for sale on the date of loss.
  - (5) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
  - (6) The increased cost of demolition, if any, directly resulting from insured loss, if such property is scheduled for demolition.
  - (7) The unamortized value of improvements and betterments, if such property is not repaired or replaced at **your** expense.
  - (8) The **actual cash value** if such property is:
    - (a) Useless to **you**; or
    - (b) Not repaired, replaced or rebuilt on the same or another site within two (2) years from the date of loss, unless such time is extended by **us**.
2. **You** may elect not to repair or replace the **covered property** lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or replacement cost basis if the proceeds of such loss settlement are expended on other capital expenditures related to **your** operations within two (2) years from the date of loss. As a condition of collecting under this provision, such expenditure must be unplanned as of the date of loss and be made at a covered **location** under this Policy. This provision does not extend to DEMOLITION AND INCREASED COST OF CONSTRUCTION or to property scheduled for demolition at the time of loss.
3. **We** will not pay more than **your** financial interest in the **covered property**.

## SECTION VI – LOSS CONDITIONS

### A. ABANDONMENT OF PROPERTY

**You** may not abandon property to **us**.

### B. APPRAISAL

1. If **you** and **we** fail to agree on the amount of a loss, either party may demand that the disputed amount be submitted for appraisal. A demand for appraisal will be made in writing within sixty (60) days after **our** receipt of proof of loss. Each party will then choose a competent and disinterested appraiser. Each party will notify the other of the identity of its appraiser within thirty (30) days of the written demand for appraisal.
2. The two (2) appraisers will choose a competent and disinterested umpire. If the appraisers are unable to agree on an umpire within fifteen (15) days, **you** or **we** may petition a judge of a court of record in the state where the **covered loss** occurred, to select an umpire.
3. The appraisers will then determine the amount of the loss or damage. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the amount of **our** payment for the loss or damage. If the appraisers fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two (2) of these three (3) will determine the amount of loss or damage.
4. Each appraiser will be paid by the party that selects him or her. Other expenses of the appraisal and compensation of the umpire will be paid equally by **you** and **us**.

### C. COLLECTION FROM OTHERS

**We** will reduce any payment to **you** for a **covered loss** to the extent **you** have collected for that loss from others.

### D. COMPANY OPTION

1. In the event of **covered loss**, **we** may, at **our** option, either:
  - a. Pay the value of **covered property** lost, damaged or destroyed as set forth in VALUATION above;
  - b. Pay the cost of repairing or replacing the **covered property** lost, damaged or destroyed;
  - c. Take all or any part of the **covered property** at any agreed valuation; or
  - d. Repair, rebuild or replace the **covered property** with other property of like kind and quality.
2. **We** will give notice of **our** intentions within thirty (30) days after receiving the sworn statement of loss or as required by law.

### E. DUTIES AFTER A LOSS

In case of loss **you** will:

1. Give **us** immediate written notice of the loss;
2. Give notice of such loss to the proper authorities if the loss may be due to a violation of the law;
3. As soon as possible, give **us** a description of the property involved and how, when and where the loss happened;
4. Take all reasonable steps to protect the **covered property** from further damage;

5. Promptly separate the damaged property from the undamaged property, and keep it in the best possible order for examination;
6. Furnish a complete inventory of the lost, damaged and destroyed property, showing in detail the quantity, and amount of loss claimed under the valuation provision of the Policy;
7. Keep an accurate record of all repair costs;
8. Keep all bills, receipts and related documents that establish the amount of loss;
9. As often as may reasonably be required:
  - a. Permit **us** to inspect the damaged property and take samples for inspection, testing and analysis.
  - b. Produce for inspection and copying, all of **your** books of account, business records, bills and invoices.
  - c. Permit **us** to question, under oath, **you** and any of **your** agents, employees, or representatives involved in the purchase of this insurance or the preparation of **your** claim, including any public adjusters and any of their agents, employees or representatives, and verify **your** answers with a signed acknowledgment.
10. Submit to **us**, within ninety (90) days from the date of loss, unless **we** extend the time in writing, a signed, sworn Proof of Loss that states to the best of **your** knowledge and belief:

The time and cause of the loss;

- a. **Your** interest and the interest of all others in the property involved;
- b. Any other policies of insurance that may provide coverage for the loss;
- c. Any changes in title or occupancy of the property during the Policy period; and
- d. The amount of **your** claimed loss.

**You** shall also submit with the Proof of Loss:

- (1) A complete inventory of the lost, damaged and destroyed property, showing in detail the quantity, and amount of loss claimed as specified in the valuation provision of the Policy;
- (2) An accurate record(s) of all repair costs and all bills, receipts and related documents that establish the amount of the loss;
- (3) Specifications for any damaged building; and
- (4) Detailed estimates and invoices for the repair of any damage.

11. Cooperate with **us** in the investigation and adjustment of the loss.

#### F. LOSS ADJUSTMENT / PAYABLE

Loss will be adjusted with the First Named Insured. **We** may, at **our** option, adjust the loss to property of others directly with the owner of the property. Such loss will be payable to the First Named Insured or as may be directed by the First Named Insured.

Additional insured interests will also be included in loss payment as their interests may appear when named as additional named insured, lender, mortgagee and/or loss payee either on a Certificate of Insurance or other evidence of insurance on file with **us**. When named on a Certificate of Insurance or other evidence of insurance, such additional interests are automatically added to this Policy as their interests may appear as of the effective date shown on the Certificate of Insurance or other evidence of insurance. The Certificate of Insurance or other evidence of insurance will not amend, extend or alter the terms, conditions, provisions and limits of this Policy.

Losses will be adjusted and paid in the currency of the United States of America, unless directed otherwise by **you**. In the event of a loss adjustment involving currency conversion, the exchange selling rate will be calculated as follows:

1. As respects the calculation of deductibles and LIMITS OF LIABILITY, the rate of exchange published in The Wall Street Journal on the date of loss.
2. As respects loss or damage to **covered property**:
  - a. The cost to repair or replace such **covered property** will be converted at the time the cost of repair or replacement is incurred based on the rate of exchange published in The Wall Street Journal.
  - b. If such **covered property** is not replaced or repaired, the conversion will be based on the rate of exchange published in The Wall Street Journal as of the date of loss.
3. As respects TIME ELEMENT loss, the conversion will be based on the average of the rate of exchange published in The Wall Street Journal on the date of loss and the rate of exchange published in The Wall Street Journal on the last day of the PERIOD OF LIABILITY. If The Wall Street Journal was not published on the stipulated date, the rate of exchange will be as published on the next business day.

#### G. PAYMENT OF LOSS

**We** will pay the insured loss within thirty (30) days after **we** receive and accept the signed, sworn Proof of Loss, if:

1. **You** have complied with all the terms of this Policy;
2. **We** have reached agreement with **you** on the amount of the loss, or
3. Within thirty (30) days of when an appraisal award is made as provided for in LOSS CONDITIONS B. APPRAISAL.

#### H. SUBROGATION

1. If **we** make payment for a loss, **you** will assign to **us** all **your** rights of recovery against any party for that loss. **We** will not acquire any rights of recovery **you** have waived prior to the loss. **You** agree to cooperate and not to waive, prejudice, settle or compromise any claim against any party after the loss.
2. **You** will be paid any recovery, in the proportion that **your** deductible and any provable uninsured loss bears to the total loss less **your** proportion of fees and expenses.

#### I. SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within two (2) years next after the inception of the loss.

## SECTION VII – DEFINITIONS

1. **Actual cash value:** The amount it would cost to repair or replace **covered property**, on the date of loss, with material of like kind and quality, with proper deduction for physical depreciation and obsolescence, but in no event more than the fair market value.
2. **Annual aggregate:** The maximum amount of loss or damage payable in any one (1) Policy year regardless of the number of **occurrences** within the same Policy year.
3. **Contaminant:** Any foreign substance, impurity, pollutant, hazardous material, poison, toxin, pathogen or pathogenic organism, bacteria, virus, disease causing or illness causing agent, fungus, mold or mildew.
4. **Contamination:** Any condition of property that results from a **contaminant**.
5. **Covered loss:** A loss to **covered property** caused by direct physical loss or damage insured by this Policy.
6. **Covered property:** Property insured by this Policy.
7. **Electronic Data:** Information (including computer programs) stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, drives, **electronic data processing equipment** or any storage medium.
8. **Electronic data processing equipment:** Any computer, computer system or component, hardware, network, microprocessor, microchip, integrated circuit or similar devices or components in computer or non-computer equipment, operating systems, data, programs or other software stored on electronic, electro-mechanical, electro-magnetic data processing or production equipment, whether **your** property or not.
9. **Fine Arts:** Property of rarity, historical value, antiquity or artistic merit, including paintings; etchings; pictures (including their negatives); tapestries; statuary; marbles; bronzes; antique jewelry; antique furniture; antique silver; rare books; porcelains; rare or art glassware; art glass windows; valuable rugs; bric-a-brac and porcelains
10. **Foreign location(s):** Any **location** outside of the continental United States of America, Hawaii and Puerto Rico.
11. **Land improvements:** Landscape gardening, car parks, parking lots, pavement, roadways, sidewalks, walkways, railways or transformer enclosures; but does not include fill beneath such property, including buildings, structures or additions.
12. **Local policy(ies):** A policy of insurance issued locally in a country outside of the United States, its territories and possessions.
13. **Location(s):**
  - a. As specified in Appendix A – Schedule of Covered **Location(s)**;
  - b. Listed on a SCHEDULE on file with **us**; or
  - c. If not so specified in Appendix A – Schedule of Covered **Location(s)** or listed on a SCHEDULE on file with **us**, a building, yard, dock, wharf, pier or bulkhead (or any group of the foregoing) bounded on all sides by public streets, clear land space or open waterways, each not less than fifty (50) feet wide. Any bridge or tunnel crossing such street, space or waterway will render such separation inoperative for the purpose of this definition.

**14. Miscellaneous Unnamed Location:** A **location** owned, leased or rented by **you**, but not listed in a Schedule of **locations** on file with **us** or attached to this Policy.

**Miscellaneous Unnamed Location** does not include:

- a. Newly Acquired **Locations**; or
- b. A **location** for which coverage is found elsewhere in this Policy including ERRORS AND OMISSIONS.

**15. Occurrence:** All loss or damage attributable directly or indirectly to one (1) cause or series of similar causes. All such loss or damage will be added together and the total loss or damage will be treated as one (1) **occurrence**.

Unless otherwise amended by an endorsement attached to this Policy:

- a. All loss or damage resulting from a continuous *FLOOD* event, irrespective of the amount of time or area over which such loss or damage occurs, will be considered a single **occurrence**.
- b. All loss or damage from *EARTH MOVEMENT* or *NAMED STORM* within the time specified in the **OCURRENCE TIME SPECIFICATIONS** will be considered a single **occurrence**.

**16. Ordinary payroll:** Payroll expenses for all of **your** employees except officers, executives, department managers, employees under contract, and other important professional employees. Payroll expenses include the payroll, employee benefits (if directly related to payroll), FICA payments, Union dues and Workers' Compensation premiums **you** pay.

**17. Personal Property:** **Your** tangible things, other than **real property** owned by **you** and used in **your** business, including:

- a. Furniture, fixtures, machinery, **electronic data processing equipment** and stock;
- b. Materials, supplies, machinery, equipment and fixtures, including those that are *personal property of others*, which are intended by **you** for use in construction of new additions and buildings at an existing covered **location**, that **you** begin to construct during the Policy period and intend to own or occupy once constructed, while located on the construction site awaiting use in construction.
- c. Property, other than **real property**, **you** lease for use in **your** business that **you** have a responsibility to insure;
- d. **Your** interest in improvements and betterments **you** have made in buildings **you** do not own;
- e. **Your valuable papers and records**.

**18. Prohibited jurisdiction:** Any country or political subdivision, outside the United States of America, its territories and possessions, in which by that country's or political subdivision's insurance laws and regulations, **we** are not allowed to insure risks.

**19. Real Property:** Building(s) and any other structure, including:

- a. New buildings and additions under construction, in which **you** have an insurable interest;
- b. Completed additions, extensions or permanent fixtures;
- c. Machinery and equipment used to service the buildings;
- d. Yard Fixtures.

- 20. Sturmflut:** A general and temporary condition of partial or complete inundation of dry land areas caused by or resulting from the overflow of river, lake, bay, estuary or tidal waters because of the rapid accumulation of runoff or surface waters from any source or from wind driven storm surge, tidal wave, high tide, flood tide, wave wash or tsunami.
- 21. Subsidiary company:** A business entity which is owned and controlled by **you**.
- 22. Terrorism:** Activities against persons, organizations or property of any nature:
- a. That involve the following or preparation for the following:
    - (1) Use or threat of force or violence; or
    - (2) Commission or threat of a dangerous act; or
    - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
  - b. When one or both of the following applies:
    - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
    - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- 23. Valuable papers and records:** Written or printed documents or records including books, maps, negatives, drawings, abstracts, deeds, mortgages and manuscripts.
- 24. We, us and our(s):** The company issuing this Policy, as shown on the Declarations.
- 25. You and your(s):** The First Named Insured shown on the Declarations.



APPENDIX A - SCHEDULE OF COVERED LOCATIONS

Per schedule on file with us

**APPENDIX B - NEW MADRID EARTH MOVEMENT ZONES**

<b>STATE</b>	<b>ZONE</b>	<b>COUNTIES / PARISHES / INDEPENDENT CITIES</b>
ARKANSAS	1	Clay, Craighead, Crittenden, Cross, Green, Independence, Jackson, Lawrence, Lee, Mississippi, Monroe, Phillips, Poinsett, Randolph, St. Francis, White, Woodruff
ARKANSAS	2	Arkansas, Fulton, Izard, Lonoke, Prairie, Sharp,
ILLINOIS	1	Alexander, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jefferson, Johnson, Massac, Perry, Pope, Pulaski, Randolph, Saline, Union, Washington, Williamson
ILLINOIS	2	Bond, Clay, Clinton, Crawford, Edwards, Effingham, Fayette, Jasper, Lawrence, Madison, Marion, Monroe, Richland, Saint Clair, Wabash, Wayne, White
INDIANA	2	Gibson, Knox, Pike, Posey, Spencer, Vanderburgh, Warrick
KENTUCKY	1	Ballard, Calloway, Carlisle, Crittenden, Fulton, Graves, Hickman, Livingston, Lyon, Marshall, McCracken,
KENTUCKY	2	Caldwell, Christian, Daviess, Henderson, Hopkins, McLean, Muhlenberg, Todd, Trigg, Union, Webster
MISSISSIPPI	1	DeSoto, Marshall, Tate, Tunica
MISSISSIPPI	2	Alcorn, Benton, Coahoma, Lafayette, Panola, Quitman, Tippah
MISSOURI	1	Bollinger, Butler, Cape Girardeau, Carter, Dunklin, Madison, Mississippi, New Madrid, Pemiscott, Perry, Ripley, Scott, Stoddard, Wayne
MISSOURI	2	Independent City of St. Louis, Iron, Jefferson, Oregon, Reynolds, Shannon, St. Francois, St. Louis, Ste. Genevieve, Washington
TENNESSEE	1	Benton, Carroll, Chester, Crockett, Dyer, Fayette, Gibson, Hardeman, Haywood, Henderson, Henry, Lake, Lauderdale, Madison, Obion, Shelby, Tipton, Weakley
TENNESSEE	2	Decatur, Hardin, Houston, Humphreys, McNairy, Montgomery, Perry, Stewart,

**APPENDIX C - PACIFIC NORTHWEST *EARTH MOVEMENT* ZONE**

<b>REGION / STATE</b>	<b>COUNTIES / COORDINATES</b>
CANADA: BRITISH COLUMBIA and VANCOUVER ISLAND	South of 50° N latitude and west of 120° W longitude
OREGON	Benton, Clackamas, Clatsop, Columbia, Coos, Curry, Douglas, Hood River, Jackson, Josephine, Klamath, Lane, Lincoln, Linn, Marion, Multnomah, Polk, Tillamook, Washington, Yamhill
WASHINGTON	Chelan, Clallam, Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Lewis, Mason, Pacific, Pierce, San Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum, Whatcom

**APPENDIX D - EARTH MOVEMENT ZONES WORLDWIDE EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

<b>Country</b>	<b>Zone</b>	<b>Provinces/Territories/States/Counties</b>
ALBANIA	1	Entire Country
ALGERIA	2	Balance of Country
	4	Adrar, Bechar, Tamanghasset, Ouargla, Illizi, Tindouf, Ghardaia
ANDORRA	4	Entire Country
ANGUILLA	2	Entire Country
ANTARCTICA	3	Entire Country
ANTIGUA & BARBUDA	2	Entire Country
ARGENTINA	1	Mendoza, Neuquen, San Juan
	2	Catamarca, Jujuy, Salta, Tucuman
	4	Balance of Country
ARMENIA	1	Entire Country
ARUBA	3	Entire Country
AUSTRALIA including Christmas Island , Cocos (Keeling) Islands	2	Christmas Island , Cocos (Keeling) Islands
	3	Western Australia
	4	Balance of Country
AUSTRIA	4	Entire Country
AZERBAIJAN	1	Entire Country
BAHAMAS	4	Entire Country
BAHRAIN	4	Entire Country
BANGLADESH	1	Entire Country
BARBADOS	2	Entire Country
BELARUS	4	Entire Country
BELGIUM	3	Entire Country
BELIZE	2	Entire Country
BENIN	4	Entire Country
BERMUDA	4	Entire Country
BHUTAN	1	Balance of Country
	2	Gasa

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

BOLIVIA	1	La Paz
	2	Oruro, Potosi, Tarija
	3	Beni, Chuquisaca, Cochabamba, Pando, Santa Cruz
BOSNIA & HERZEGOVINA	2	Entire Country
BOTSWANA	4	Entire Country
BRAZIL	4	Entire Country
BRITISH VIRGIN ISLANDS	1	Entire Country
BRUNEI DARUSSALAM	3	Entire Country
BULGARIA	2	Entire Country
BURKINA FASO	4	Entire Country
BURUNDI	2	Entire Country
CAMBODIA	4	Entire Country
CAMEROON	3	Entire Country
CANADA	Refer to Pacific Northwest <i>EARTH MOVEMENT</i> Zone (Appendix C).	British Columbia and Vancouver Island, South of 50° N latitude and west of 120° W longitude
	4	Balance of Country
CAPE VERDE	4	Entire Country
CAYMAN ISLANDS	1	Entire Country
CENTRAL AFRICAN REPUBLIC	4	Entire Country
CHAD	4	Entire Country
CHILE	1	Entire Country
CHINA	1	Liaoning, Tianjin, Hebei, Shandong, Gansu, Sichuan, Shaanxi, Yunnan
	2	Tibet Autonomous Region, Macau
	3	Balance of Country
	4	Hong Kong
COLOMBIA	1	Antioquia, Cauca, Choco, Narino, Quindio, Risaralda, Valle del Cauca, Bogota
	2	Balance of Country
	3	Amazona, Arauca, Caqueta, Casanare, Guainia, Guaviare, Meta, Putumayo, San Anres and Providencia, Vaupes, Vichada
COMOROS	4	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

CONGO, REPUBLIC OF	2	Entire Country
COOK ISLANDS	2	Entire Country
COSTA RICA	1	Entire Country
CROATIA	2	Entire Country
CURACAO	3	Entire Country
CYPRUS	2	Entire Country
CZECH REPUBLIC	3	Entire Country
DENMARK	4	Entire Country
DJIBOUTI	2	Entire Country
DOMINICA	1	Entire Country
DOMINICAN REPUBLIC	1	Entire Country
ECUADOR	1	Entire Country
EGYPT	2	Cairo, Dakahlia, Damietta, Gharbia, Ismailia, Kafr el-Sheikh, Monufia, North Sinai, Port Said, Red Sea, Sharqia, Suez
	3	Balance of Country
EL SALVADOR	1	Entire Country
EQUATORIAL-GUINEA	4	Entire Country
ERITREA	2	Entire Country
ESTONIA	4	Entire Country
ETHIOPIA	2	Balance of Country
	3	Benishangul, Dure Dawa, Gambela, Harari, Somalia, Tigray
FAROE ISLANDS	4	Entire Country
FEDERATED STATES OF MICRONESIA	2	Entire Country
FIJI	1	Entire Country
FINLAND	4	Entire Country
FRANCE	3	Entire Country
FRENCH GUIANA	4	Entire Country
FRENCH POLYNESIA	4	Entire Country
GABON	2	Ogooue-Ivindo, Ogooue-Lolo
	3	Balance of Country
GAMBIA	4	Entire Country
GERMANY	3	Entire Country
GHANA	1	Accra
	2	Balance of Country
GIBRALTAR	3	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

GREECE	1	Entire Country
GREENLAND	3	Entire Country
GRENADA	1	Entire Country
GUADELOUPE	1	Entire Country
GUATEMALA	1	Balance of Country
	3	Peten
GUINEA	2	Boke
	3	Balance of Country
GUINEA- BISSAU	3	Entire Country
GUYANA	3	Entire Country
HAITI	1	Entire Country
HONDURAS	1	Balance of Country
	3	Atlantida, Colon, Comayagua, El Paraiso, Francisco Morazan, Gracias a Dios, Islas de la Bahia, Olancho, Yoro
HUNGARY	3	Entire Country
ICELAND	2	Northeast Region, South Region, Southern Peninsula Region, Capital Region
	3	Balance of Country
INDIA	1	Arunachal Pradesh, Assam, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Uttarakhand
	3	Balance of Country
INDONESIA	2	Balance of Country
	3	(Borneo)-East Kalimantan, South Kalimantan, West Kalimantan, Central Kalimantan, Riau, Jambi, South Sulawesi, Southeast Sulawesi, Bangka-Belitung, West Nusa Tenggara
IRAQ	2	Entire Country
IRELAND	4	Entire Country
ISLE OF MAN	3	Entire Country
ISRAEL	1	Entire Country
ITALY	1	Balance of Country
	3	Liguria, Lombardy, Marche, Piedmont, Aosta Valley, Trentino-Alto Adige/Südtirol, Veneto, Sardinia
IVORY COAST (COTE-D'IVOIRE)	4	Entire Country
JAMAICA	1	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

JAPAN	1	Balance of Country
	2	Prefectures of Akita, Fukui, Fukuoka, Gifu, Gunma, Hiroshima, Ishikawa, Kagoshima, Niigata, Okayama, Okinawa, Saga, Shimane, Tochigi, Tottori, Toyama, Yamaguchi
JORDAN	1	Balance of Country
	3	Ma'an
KAZAHKSTAN	1	Entire Country
KENYA	2	Entire Country
KIRIBATI	2	Entire Country
KOSOVO	3	Entire Country
KUWAIT	4	Entire Country
KYRGYZSTAN (KYRGYZ REPUBLIC)	1	Entire Country
LAOS	2	Balance of Country
	3	Attapu, Bolikhamxai, Champasak, Khammouan, Salavan, Savannakhet, Xekong
LATVIA	4	Entire Country
LEBANON	1	Entire Country
LESOTHO	2	Balance of Country
	3	Berea, Butha-Buthe, Leribe, Mokhotlong, Thaba-Tseka
LIBERIA	4	Entire Country
LIBYA	2	Entire Country
LIECHTENSTEIN	4	Entire Country
LITHUANIA	4	Entire Country
LUXEMBOURG	4	Entire Country
MACEDONIA	1	Entire Country
MADAGASCAR	3	Entire Country
MALAWI	2	Entire Country
MALAYSIA	3	Entire Country
MALDIVES	4	Entire Country
MALI	4	Entire Country
MALTA	4	Entire Country
MARSHALL ISLANDS	4	Entire Country
MARTINIQUE	1	Entire Country
MAURITANIA	4	Entire Country
MAURITIUS	4	Entire Country



APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

MAYOTTE	2	Entire Country
MEXICO	1	Balance of Country
	4	Chihuahua, Campeche, Coahuila, Durango, Nuevo Leon, Quintana Roo, San Luis Potosi, Sonora, Tamaulipas, Yucatan, Zacatecas
MOLDOVA	2	Entire Country
MONACO	3	Entire Country
MONGOLIA	1	Balance of Country
	2	Govi-Altai, Arkhangai, Bulgan, Selenge, Tov, Ovorkhangai
	3	Khentii, Dundgovi, Dornogovi, Dornod, Sukhbaatar
MONTENEGRO	2	Entire Country
MONTSERRAT	1	Entire Country
MOROCCO	2	Fès-Boulemane (Fès) , Gharb-Chrarda-Béni Hssen (Kénitra), Tangier-Tétouan (Tangier)
	3	Taza-Al Hoceima-Taounate (Al Hoceima)
	4	Balance of Country
MOZAMBIQUE	2	Manica, Sofala, Zambezia
	3	Balance of Country
NAMIBIA	4	Entire Country
NAURU	2	Entire Country
NEPAL	1	Entire Country
NETHERLANDS	4	Balance of Country
	3	Bonaire
	1	Saba, Sint Eustatius
NEW CALEDONIA	3	Entire Country
NEW ZEALAND	1	Balance of Country
	3	Northland, Auckland, Waikato
NICARAGUA	1	Balance of Country
	3	RAAN (Bilwi), RAAS (Bluefields)
NIGER	4	Entire Country
NIGERIA	4	Entire Country
NIUE	2	Entire Country
NORFOLK ISLAND	2	Entire Country
NORWAY	4	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

OMAN	4	Entire Country
PAKISTAN	1	Balance of Country
	3	Punjab
PALAU	2	Entire Country
PALESTINE	1	Entire Country
PANAMA	2	Entire Country
PAPUA NEW GUNIEA	1	Entire Country
PARAGUAY	4	Entire Country
PERU	1	Entire Country
PHILIPPINES	1	Entire Country
PITCAIRN ISLANDS	2	Entire Country
POLAND	4	Entire Country
PORTUGAL	2	Lisbon, Santarém, Faro, Azores Autonomous Region
	4	Balance of Country
QATAR	4	Entire Country
REUNION	4	Entire Country
ROMANIA	2	Entire Country
RUSSIAN FEDERATION	1	Kamchatka, Buryatia, Tuva, Altai Republic, Stavropol, Chechnya, Adygea, Krasnodar, Karachay-Cherkessia, Ingushetia, Dagestan, Kabardino-Balkaria, North Ossetia-Alania
	3	Balance of Country
RWANDA	2	Entire Country
SAMOA (WESTERN )	2	Entire Country
SAN MARINO	2	Entire Country
SAO TOME & PRINCIPE	4	Entire Country
SAUDI ARABIA	2	Jizan, Tabuk
	4	Balance of Country
SENEGAL	3	Entire Country
SERBIA	2	Entire Country
SEYCHELLES	4	Entire Country
SIERRA LEONE	4	Entire Country
SINGAPORE	4	Entire Country
SINT MAARTEN	1	Entire Country
SLOVAKIA	3	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

SLOVENIA	2	Entire Country
SOLOMAN ISLANDS	1	Entire Country
SOMALIA	3	Entire Country
SOUTH AFRICA	2	Free State, Western Cape
	3	Balance of Country
SOUTH KOREA	3	Entire Country
SOUTHERN SUDAN	3	Entire Country
SPAIN	2	Andalusia, Murcia
	3	Balance of Country
SRI LANKA	3	Entire Country
ST. BARTHELEMY	1	Entire Country
ST. KITTS AND NEVIS	1	Entire Country
ST. LUCIA	1	Entire Country
ST. MARTIN	1	Entire Country
ST. VINCENT AND THE GRENADINES	1	Entire Country
SURINAME	4	Entire Country
SWAZILAND	2	Entire Country
SWEDEN	4	Entire Country
SWITZERLAND	4	Entire Country
TAIWAN	1	Entire Country
TAJIKISTAN	1	Entire Country
TANZANIA	2	Kigoma, Arusha, Singida, Dodoma, Manyara, Rukwa, Mbeya, Iringa, Ruvuma, Mtwara
	3	Balance of Country
THAILAND	2	Chiang Rai, Payao, Nan, Chang Mai, Mae Hong Son, Lampang, Lampun, Phrae, Uttaradit, Sukhothai, Tak, Phitsanulok, Kamphaeng Phet, Phichit, Nakhon Sawan, Uthai Thani, Kanchanaburi, Chai Nat, Lop Buri, Sara Buri, Nakon Nayok, Ang Thong, Phra Nakhon Si Ayuthaya, Nakhon Pathom, Sing Buri, Pathum Thani, Bangkok, Samut Songkhram, Samut Sakhon, Nonthaburi, Samut Prakan, Phetchaburi
	3	Balance of Country
TIMOR-LESTE	2	Entire Country
TOGO	3	Entire Country
TONGA	2	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

TRINIDAD AND TOBAGO	1	Entire Country
TUNISIA	2	Ariana, Béja, Ben Arous, Bizerte, Gafsa, Jendouba, Manouba, Monastir, Nabeul, Sousse, Tunis, Zaghuan
	3	Balance of Country
TURKEY	1	Entire Country
TURKMENISTAN	1	Entire Country
TURKS AND CAICOS	1	Entire Country
TUVALU	4	Entire Country
UGANDA	2	Entire Country
UKRAINE	4	Entire Country
UNITED ARAB EMIRATES	4	Entire Country
UNITED KINGDOM including Guernsey, Jersey	3	Entire Country
URUGUAY	4	Entire Country
UZBEKISTAN	1	Entire Country
VANUATU	2	Entire Country
VATICAN CITY	1	Entire Country
VENEZUELA	1	Balance of Country
	2	Carabobo, Aragua, Guarico, Vargas, Miranda, Dpto Capital, Anzoategui, Monagas
	4	Delta Amacuro, Bolivar, Amazonas
VIETNAM	2	Lai Chau, Lao Cai, Yen Bai, Son La, Hoa Binh, Vinh Phu, Hanoi, Hai Phong, Ha Tay, Hai Hung, Thai Binh, Nom Ha, Ninh Binh, Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Quang Ngai, Binh Dinh, Phu Yen, Khanh Hoa, Ninh Thuan
	3	Balance of Country
WESTERN SAHARA	4	Entire Country
YEMEN	4	Entire Country
ZAMBIA	2	Northern, Southern
	3	Balance of Country
ZIMBABWE	3	Entire Country

Any country not listed is Zone 1 unless stated differently in the Declarations.

**APPENDIX E - NAMED STORM TIERS FOR USA INCLUDING ITS COMMONWEALTHS AND TERRITORIES**

**SOUTHERN TIER ONE: NORTH CAROLINA TO TEXAS**

<b>STATE</b>	<b>COUNTIES / PARISHES / INDEPENDENT CITIES</b>
Alabama	Baldwin, Mobile
Florida	Entire State
Georgia	Brantly, Bryan, Camden, Chatham, Charlton, Effingham, Glynn, Liberty, Long, McIntosh, Pierce, Wayne
Louisiana	Acadia, Ascension, Assumption, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington, West Baton Rouge
Mississippi	George, Hancock, Harrison, Jackson, Pearl River, Stone
North Carolina	Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Duplin, Gates, Hertford, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Tyrrell, Washington, Wayne
South Carolina	Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Horry, Jasper, Williamsburg
Texas	Aransas, Bee, Brazoria, Brooks, Calhoun, Cameron, Chambers, Fort Bend, Galveston, Goliad, Hardin, Harris, Hidalgo, Jackson, Jasper, Jefferson, Jim Wells, Kenedy, Kleberg, Liberty, Matagorda, Nueces, Orange, Refugio, San Patricio, Victoria, Wharton, Willacy

APPENDIX E (continued)

**NAMED STORM TIERS FOR USA INCLUDING  
ITS COMMONWEALTHS AND TERRITORIES**

NORTHERN TIER ONE: VIRGINIA TO MAINE

<b>STATE</b>	<b>COUNTIES / PARISHES / INDEPENDENT CITIES</b>
Connecticut	Fairfield, Middlesex, New Haven, New London
Delaware	Sussex
Maine	Cumberland, Hancock, Knox, Lincoln, Penobscot, Sagadahoc, Waldo, Washington, York
Maryland	Calvert, Charles, Dorchester, St. Mary's, Somerset, Wicomico, Worcester
Massachusetts	Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk
New Hampshire	Rockingham
New Jersey	Atlantic, Bergen, Cape May, Cumberland, Essex, Hudson, Middlesex, Monmouth, Ocean, Union
New York	Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk
Rhode Island	Bristol, Newport, Washington
Virginia	Accomack, Gloucester, Isle of Wight, James City, Lancaster, Mathews, Middlesex, Northampton, Northumberland, Surry, York Independent Cities: Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg

SOUTHERN TIER TWO: NORTH CAROLINA TO TEXAS

<b>STATE</b>	<b>COUNTIES / PARISHES / INDEPENDENT CITIES</b>
Alabama	Clarke, Coffee, Conecuh, Covington, Dale, Escambia, Geneva, Houston, Monroe, Washington
Louisiana	Allen, Avoyelles, Beauregard, Evangeline, St. Helena, St. Landry, West Feliciana
Mississippi	Forrest, Greene, Jones, Lamar, Marion, Perry, Pike, Walthall, Wayne
North Carolina	Cumberland, Edgecombe, Greene, Johnston, Robeson, Sampson, Wilson
South Carolina	Bamberg, Calhoun, Clarendon, Dillon, Florence, Hampton, Marion, Orangeburg
Texas	Austin, Brazos, Colorado, De Witt, Duval, Fayette, Gonzales, Grimes, Jim Hogg, Karnes, Lavaca, Live Oak, McMullen, Montgomery, Newton, Polk, San Jacinto, Starr, Tyler, Walker, Waller, Washington

APPENDIX E (continued)

*NAMED STORM TIERS FOR USA INCLUDING  
ITS COMMONWEALTHS AND TERRITORIES*

Other States, Commonwealths and Territories of The United States of America		
	<b>TIER</b>	
AMERICAN SAMOA	2	Entire Territory
GUAM	1	Entire Territory
HAWAII	1	Entire State
NORTHERN MARIANA ISLANDS	1	Entire Commonwealth
PUERTO RICO	1	Entire Commonwealth
U.S. VIRGIN ISLANDS	1	Entire Territory
All other US Territories and Possessions	1	Entire Territory

**APPENDIX F - NAMED STORM ZONES WORLDWIDE EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

<b>Country</b>	<b>Zone</b>	<b>Provinces/Territories/States/Counties</b>
ALBANIA	4	Entire Country
ALGERIA	3	Entire Country
ANDORRA	3	Entire Country
ANGUILLA	1	Entire Country
ANTARCTICA	4	Entire Country
ANTIGUA & BARBUDA	1	Entire Country
ARMENIA	4	Entire Country
ARGENTINA	4	Entire Country
ARUBA	1	Entire Country
AUSTRALIA including Christmas Island, Cocos (Keeling) Islands	1	Western Australia Postcodes: 6701,6707,6710,6711,6712,6713,6714,6716,6718,6720,6721,6722,6725,6726,6728,6731, 6733,6740,6743,6751,6754,6760,6762,6765,  Northern Territory Postcodes: 0800,0810,0812,0820,0822,0828,0829,0830,0832,0835,0836,0837,0838,0840,0841,0845,0846,0847,0850,0852,0853,0854,0862,0880,0885,0886, Christmas Island, Cocos (Keeling) Islands
	2	Queensland Postcodes: 4580,4581,4620,4621,4630,4650,4655,4659,4660,4662,4670,4671,4673,4674,4676,4677,4678,4680,4694,4695,4697,4699,4700,4701,4702,4703,4704,4705,4706,4707,4710,4711,4712,4714,4715,4716,4717,4718,4720,4721,4723,4737,4738,4739,4740,4741,4742,4743,4744,4745,4746,4750,4751,4753,4754,4756,4757,4798,4799,4800,4801,4802,4803,4804,4805,4806,4807,4808,4809,4810,4811,4812,4813,4814,4815,4816,4817,4818,4819,4820,4830,4849,4850,4852,4854,4855,4856,4857,4858,4859,4860,4861,4865,4868,4869,4870,4871,4872,4873,4874,4875,4876,4877,4878,4879,4880,4881,4882,4883,4884,4885,4886,4887,4888,4890,4891,4895
	3	Balance of Country
AUSTRIA	4	Entire Country
AZERBAIJAN	4	Entire Country
BAHAMAS	1	Entire Country
BAHRAIN	4	Entire Country
BANGLADESH	1	Entire Country
BARBADOS	1	Entire Country
BELARUS	4	Entire Country
BELGIUM	3	Entire Country



APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

BELIZE	1	Entire Country
BENIN	4	Entire Country
BERMUDA	1	Entire Country
BHUTAN	4	Entire Country
BOLIVIA	4	Entire Country
BOSNIA & HERZEGOVINA	4	Entire Country
BOTSWANA	3	Entire Country
BRAZIL	4	Entire Country
BRITISH VIRGIN ISLANDS	1	Entire Country
BRUNEI DARUSSALAM	4	Entire Country
BULGARIA	4	Entire Country
BURKINA FASO	4	Entire Country
BURUNDI	1	Entire Country
CAMBODIA	3	Entire Country
CAMEROON	4	Entire Country
CANADA	4	Entire Country
CAPE VERDE	3	Entire Country
CAYMAN ISLANDS	1	Entire Country
CENTRAL AFRICAN REPUBLIC	4	Entire Country
CHAD	3	Entire Country
CHILE	3	Entire Country
CHINA	1	Hainan, Macau, Guangdong, Fujian, Zhejiang, Shanghai, Jiangsu, Shangdong
	2	Hong Kong
	4	Balance of Country
COLOMBIA	3	Entire Country
COMOROS	3	Entire Country
CONGO, REPUBLIC OF	4	Entire Country
COOK ISLANDS	1	Entire Country
COSTA RICA	1	Entire Country
CROATIA	3	Entire Country
CURACAO	1	Entire Country
CYPRUS	4	Entire Country
CZECH REPUBLIC	4	Entire Country
DENMARK	3	Entire Country

APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

DJIBOUTI	4	Entire Country
DOMINICA	1	Entire Country
DOMINICAN REPUBLIC	1	Entire Country
ECUADOR	4	Entire Country
EGYPT	4	Entire Country
EL SALVADOR	2	Entire Country
EQUATORIAL GUINEA	4	Entire Country
ERITREA	4	Entire Country
ESTONIA	3	Entire Country
ETHIOPIA	4	Entire Country
FAROE ISLANDS	3	Entire Country
FEDERATED STATES OF MICRONESIA	1	Entire Country
FIJI	1	Entire Country
FINLAND	3	Entire Country
FRANCE	4	Entire Country
FRENCH GUIANA	4	Entire Country
FRENCH POLYNESIA	1	Entire Country
GABON	3	Entire Country
GAMBIA	4	Entire Country
GERMANY	3	Entire Country
GHANA	3	Entire Country
GIBRALTAR	3	Entire Country
GREECE	4	Entire Country
GREENLAND	4	Entire Country
GRENADA	1	Entire Country
GUADELOUPE	1	Entire Country
GUATEMALA	1	Izabal
	2	Balance of Country
GUINEA	4	Entire Country
GUINEA- BISSAU	4	Entire Country
GUYANA	3	Entire Country
HAITI	1	Entire Country
HONDURAS	1	Entire Country
HUNGARY	4	Entire Country
ICELAND	4	Entire Country

APPENDIX F (continued)

**NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES**

INDIA	1	Andhra Pradesh, Jharkhand, Mizoram, Orissa, Tamil Nadu, Tripura, West Bengal
	3	Balance of Country
INDONESIA	3	Entire Country
IRAQ	4	Entire Country
IRELAND	3	Entire Country
ISLE OF MAN	3	Entire Country
ISRAEL	4	Entire Country
ITALY	3	Entire Country
IVORY COAST (COTE-D'IVOIRE)	4	Entire Country
JAMAICA	1	Entire Country
JAPAN	3	Regions of Hokkaido, Tohoku
	1	Balance of Country
JORDAN	4	Entire Country
KAZAHKSTAN	4	Entire Country
KENYA	3	Entire Country
KIRIBATI	1	Entire Country
KOSOVO	4	Entire Country
KUWAIT	4	Entire Country
KYRGYZSTAN (KYRGYZ REPUBLIC)	4	Entire Country
LAOS	3	Entire Country
LATVIA	3	Entire Country
LEBANON	4	Entire Country
LESOTHO	4	Entire Country
LIBERIA	4	Entire Country
LIBYA	4	Entire Country
LIECHTENSTEIN	4	Entire Country
LITHUANIA	3	Entire Country
LUXEMBOURG	4	Entire Country
MACEDONIA	4	Entire Country
MADAGASCAR	2	Entire Country
MALAWI	4	Entire Country
MALAYSIA	3	Entire Country
MALDIVES	3	Entire Country
MALI	4	Entire Country
MALTA	4	Entire Country

APPENDIX F (continued)

**NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES**

MARSHALL ISLANDS	2	Entire Country
MARTINIQUE	1	Entire Country
MAURITANIA	4	Entire Country
MAURITIUS	1	Entire Country
MAYOTTE	1	Entire Country
MEXICO	1	Baja California Sur, Colima, Campeche, Chiapas, Guerrero, Jalisco, Michoacan, Oaxaca, Quintana Roo, Tabasco, Tamaulipas, Veracruz, Yucatan
	4	Balance of Country
MOLDOVA	4	Entire Country
MONACO	3	Entire Country
MONGOLIA	4	Entire Country
MONTENEGRO	4	Entire Country
MONTSERRAT	1	Entire Country
MOROCCO	4	Entire Country
MOZAMBIQUE	1	Entire Country
NAMIBIA	4	Entire Country
NAURU	4	Entire Country
NEPAL	4	Entire Country
NETHERLANDS	4	Balance of Country
	1	Bonaire
	1	Saba
	1	Sint Eustatius
NEW CALEDONIA	1	Entire Country
NEW ZEALAND	3	Entire Country
NICARAGUA	1	RAAN (Bilwi), RAAS (Bluefields)
	2	Balance of Country
NIGER	4	Entire Country
NIGERIA	4	Entire Country
NIUE	1	Entire Country
NORFOLK ISLAND	2	Entire Country
NORWAY	3	Entire Country
OMAN	3	Entire Country
PAKISTAN	3	Entire Country
PALAU	1	Entire Country

APPENDIX F (continued)

**NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES**

PALESTINE	4	Entire Country
PANAMA	3	Entire Country
PAPUA NEW GUINEA	3	Entire Country
PARAGUAY	4	Entire Country
PERU	4	Entire Country
PHILIPPINES	1	Entire Country
PITCAIRN ISLANDS	1	Entire Country
POLAND	3	Entire Country
PORTUGAL	3	Azores Autonomous Region
	4	Balance of Country
QATAR	4	Entire Country
REUNION	1	Entire Country
ROMANIA	4	Entire Country
RUSSIAN FEDERATION	4	Entire Country
RWANDA	4	Entire Country
SAMOA (WESTERN )	1	Entire Country
SAN MARINO	4	Entire Country
SAO TOME & PRINCIPE	4	Entire Country
SAUDI ARABIA	4	Entire Country
SENEGAL	4	Entire Country
SERBIA	4	Entire Country
SEYCHELLES	3	Entire Country
SIERRA LEONE	4	Entire Country
SINGAPORE	4	Entire Country
SINT MAARTEN	1	Entire Country
SLOVAKIA	4	Entire Country
SLOVENIA	4	Entire Country
SOLOMAN ISLANDS	2	Entire Country
SOMALIA	4	Entire Country
SOUTH AFRICA	4	Entire Country
SOUTH KOREA	2	Entire Country
SOUTHERN SUDAN	4	Entire Country
SPAIN	4	Entire Country

APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

SRI LANKA	2	Entire Country
ST. BARTHELEMY	1	Entire Country
ST. KITTS AND NEVIS	1	Entire Country
ST. LUCIA	1	Entire Country
ST. MARTIN	1	Entire Country
ST. VINCENT AND THE GRENADINES	1	Entire Country
SURINAME	4	Entire Country
SWAZILAND	4	Entire Country
SWEDEN	3	Entire Country
SWITZERLAND	4	Entire Country
TAIWAN	1	Entire Country
TAJIKISTAN	4	Entire Country
TANZANIA	4	Entire Country
THAILAND	3	Entire Country
TIMOR-LESTE	3	Entire Country
TOGO	4	Entire Country
TONGA	1	Entire Country
TRINIDAD AND TOBAGO	1	Entire Country
TUNISIA	4	Entire Country
TURKEY	4	Entire Country
TURKMENISTAN	4	Entire Country
TURKS AND CAICOS	1	Entire Country
TUVALU	3	Entire Country
UGANDA	4	Entire Country
UKRAINE	4	Entire Country
UNITED ARAB EMIRATES	4	Entire Country
UNITED KINGDOM including Guernsey, Jersey	3	Entire Country
URUGUAY	3	Entire Country
UZBEKISTAN	4	Entire Country
VANUATU	1	Entire Country
VATICAN CITY	4	Entire Country
VENEZUELA	3	Entire Country
VIETNAM	2	Entire Country

APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

WESTERN SAHARA	4	Entire Country
YEMEN	3	Entire Country
ZAMBIA	4	Entire Country
ZIMBABWE	4	Entire Country

Any country not listed is Zone 1 unless stated differently in the Declarations.

## APPENDIX G - FLOOD HAZARD LOCATIONS

### High Hazard Location(s)

<b>Loc #</b>	<b>Sub Loc #</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
14	1	1102 North Muldoon Rd	Anchorage	AK	99506
21	1	3907 Shore Pkwy	Brooklyn	NY	11235
28	1	2055 East Shields Ave	Fresno	CA	93726
29	1	1003 North State Rd 7	Royal Palm Beach	FL	33411
30	1	300 Pkwy Dr	Lincolnshire	IL	60069
37	1	461 South Greenwood Park Dr	Greenwood	IN	46142
38	1	1400 S Columbus Ave	Philadelphia	PA	19147
39	1	1401 W Esplanade Ave	Kenner	LA	70065
54	1	24435 Town Center Dr	Santa Clarita	CA	91355
58	1	1500 Caughey Dr	Harrisburg	PA	17110
64	1	8136 Delta Shores Circle S	Sacramento	CA	95832
70	1	6006 Hollywood Dr	Naples	FL	34109
72	1	20505 South Dixie Hwy	Cutler Bay	FL	33189
77	1	8595 SW 124th Ave	Miami	FL	33183
79	1	735 Iwilei Rd	Honolulu	HI	96817
85	1	9525 Phillips Hwy	Jacksonville	FL	32256
122	1	4915 SW Loop 250 N	Midland	TX	79707
125	1	5547 S Williamson Blvd	Port Orange	FL	32128
134	1	403 W Main St	Merced	CA	95340
150	1	4100 38th St	Moline	IL	61265
154	1	333 Canal St	New Orleans	LA	70130
157	1	9645 Westview Dr	Coral Springs	FL	33076
159	1	900 Upper Front St	Binghamton	NY	13905
173	1	26 W Merritt Blvd	Fishkill	NY	12524
174	1	6415 N Andrews Ave	Fort Lauderdale	FL	33309
176	1	1160 W Branch St	Arroyo Grande	CA	93420
176	2	1160 W Branch St	Arroyo Grande	CA	93420
177	1	680 Ventura Blvd	Camarillo	CA	93010
183	1	3200 Ameristar Dr	Kansas City	MO	64161
186	1	733 Route 72 W	Manahawkin	NJ	08050
190	1	1200 Breckenridge Dr	Little Rock	AR	72205
192	1	7132 Regal Dr	Knoxville	TN	37918
210	1	9000 SW 136th St	Miami	FL	33176
214	1	353 N Mead St	Wichita	KS	67202
219	1	901 South Coast Dr	Costa Mesa	CA	92626
221	1	14051 Beach Blvd	Jacksonville	FL	32250
226	1	1120 Interquest Pkwy	Colorado Springs	CO	80921
230	1	501 NE Marion St	Salem	OR	97301
232	1	3702 W University Ave	Gainesville	FL	32607
244	1	6701 Cinema Dr	Port Richey	FL	34668
247	1	3351 W Shaw Ave	Fresno	CA	93711
250	1	3338 North Roosevelt Blvd	Key West	FL	33040
258	1	5555 Youngstown Warren Rd	Niles	OH	44446
259	1	70 E Kahumanu Ave	Kahalui	HI	96732
260	1	1490 11th Ave NW	Issaquah	WA	98027
261	1	963 Houston Northcutt Blvd	Mount Pleasant	SC	29464



262	1	175 Cherry Rd NW	Massillon	OH	44646
289	1	215 Williamson Blvd	Ormond Beach	FL	32174
294	1	100 Regal Way	Newport News	VA	23602
303	1	120 South Bridge St	Visalia	CA	93291
311	1	337 Placerville Dr	Placerville	CA	95667
328	1	222 North El Dorado St	Stockton	CA	95202
335	1	1515 W 23rd St	Panama City	FL	32405
336	1	1075 Pkwy Blvd	Flowood	MS	39232
337	1	4777 West Chester Pike	Newtown Square	PA	19073
356	1	One Walden Galleria	Buffalo	NY	14225
357	1	2804 Plumb 3rd St	Brooklyn	NY	11235
365	1	1471 West Webster Ave	Chicago	IL	60614
367	1	2800 Shed Rd	Bossier City	LA	71111
374	1	7117 Regal Lane	Knoxville	TN	37918
380	1	6601 East Pacific Coast Hwy	Long Beach	CA	90803
382	1	501 Buckingham Way	San Francisco	CA	94132
384	1	1350 Boone St	Leesville	LA	71446
392	1	2830 Hwy 90 W	Lake City	FL	32055
395	1	7200 Us Hwy 19 N	Pinellas Park	FL	33781
398	1	570 Opry Mills Dr	Nashville	TN	37214
403	1	1101 E 18th St	Rolla	MO	65401
409	1	1405 Pacific Ave	Santa Cruz	CA	95060
410	1	8000 West Broward Blvd	Plantation	FL	33324
415	1	10028 Gulf Center Dr	Fort Meyers	FL	33913
417	1	4524 Doris Circle	Knoxville	TN	37918
425	1	401 Park Dr	Boston	MA	22153
441	1	100 Washington St	Oakland	CA	94607
446	1	910 Sawmill Rd	Laurel	MS	39440
451	1	1120 Lincoln Rd	Miami Beach	FL	33139
452	1	300 Monticello Ave	Norfolk	VA	23510
460	1	1319 Theatre Dr	Mount Pleasant	SC	29464
463	1	4455 Dowlen Rd	Beaumont	TX	77706
467	1	7999 Citrus Park Town Center Mall	Tampa	FL	33625
472	1	3561 Truxel Rd	Sacramento	CA	95834
484	1	4600 W Kellogg Dr	Wichita	KS	67209
489	1	2600 NW 136th Ave	Sunrise	FL	33323
504	1	1230 S Hover St	Longmont	CO	80501
513	1	15977 Pines Blvd	Pembroke Pines	FL	33027
515	1	341 Three Rivers Dr	Kelso	WA	98626
518	1	7131 Regal Dr	Knoxville	TN	37918
526	1	1993 Main St	Sarasota	FL	34236
529	1	2800 Oakwood Blvd	Hollywood	FL	33020
536	1	720 Builders Way	Niagara Falls	NY	14304
541	1	13499 Bell Tower Dr	Fort Meyers	FL	33907
542	1	8021 Cinema Way	Estero	FL	33928
550	1	9889 Glades Rd	Boca Raton	FL	33434
551	1	955 Eagle Ridge Dr	Lake Wales	FL	33859
559	1	1801 Northwest Hwy 19	Crystal River	FL	34428
564	1	700 Grand Central Mall	Vienna	WV	26105
568	1	658 Front St	Lahaina	HI	96761
569	1	1144 S Gilbert Rd	Gilbert	AZ	85296
571	1	4450 Kapolei Pkwy	Honolulu	HI	96707
572	1	7112 Regal Dr	Knoxville	TN	37918

**Moderate Hazard Location(s)**

<b>Loc #</b>	<b>Sub Loc #</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
1	1	7301 W Grand Pkwy S	Richmond	TX	77407
5	1	1200 Lakes Dr	West Covina	CA	91790
6	1	4900 East 4th St	Ontario	CA	91764
10	1	321 Merrick Rd	Lynbrook	NY	11563
17	1	3839 Wesleyan St	Houston	TX	77027
18	1	7300 Aliante Pkwy	North Las Vegas	NV	89084
20	1	1180 West San Marcos Blvd	San Marcos	CA	92078
22	1	9150 21st St N	Wichita	KS	67205
23	1	2474 Forest Ave	Staten Island	NY	10303
25	1	102 North End Ave	New York	NY	10282
31	1	350 West Valley Pkwy	Escondido	CA	92025
32	1	1855 Airport Way	Fairbanks	AK	99701
34	1	2100 Louisiana Blvd NE	Albuquerque	NM	87110
35	1	3265 Northeast Expressway Access Rd	Chamblee	GA	30341
37	1	461 South Greenwood Park Dr	Greenwood	IN	46142
40	1	8630 Garfield Ave	South Gate	CA	90280
41	1	7501 Carson Blvd	Long Beach	CA	90808
50	1	176 Greece Ridge Center Dr	Rochester	NY	14626
51	1	1549 Gateway Blvd	Fairfield	CA	94533
53	1	4215 Black Horse Pike	Mays Landing	NJ	08330
74	1	777 West Lake Mead Pkwy	Henderson	NV	89015
75	1	300 Southpark Cir	Colonial Heights	VA	23834
83	1	2322 North Salisbury Blvd	Salisbury	MD	21801
84	1	10091 Jeb Stuart Pkwy	Glen Allen	VA	23059
87	1	3232 N John Young Pkwy	Kissimmee	FL	34741
93	1	8275 W Amarillo Blvd	Amarillo	TX	79124
98	1	8880 S Eastern Ave	Las Vegas	NV	89123
108	1	6707 Transit Rd	Williamsville	NY	14221
117	1	510 North Orlando Ave	Winterpark	FL	32789
119	1	2000 S Colorado Blvd	Denver	CO	80222
129	1	1101 Outlet Collection Way	Auburn	WA	98001
135	1	2707 South 25th E	Ammon	ID	83406
137	1	8755 Center Pkwy Dr	Sacramento	CA	95823
141	1	3131 East Main St	Mohegan Lake	NY	10547
143	1	6009 SW 244th St	Mountlake Terrace	WA	98043
145	1	2801 SW 27th Ave	Ocala	FL	34471
148	1	2951 Jamacha Rd	El Cajon	CA	92019
179	1	2751 Tapo Canyon Rd	Simi Valley	CA	93063
193	1	201 N Northpark Lane	Joplin	MO	64801
205	1	1935 Cinema Dr	Rock Hill	SC	29730
216	1	4101 E 42nd St	Odessa	TX	79762
222	1	1301 W Sunset Rd	Henderson	NV	89014
228	1	951 E Lewis And Clark Pkwy	Clarksville	IN	47129
229	1	3355 S Mooney Blvd	Visalia	CA	93277
237	1	5910 S 180th St	Tukwila	WA	98188
238	1	69348 Hwy 21	Covington	LA	70433
245	1	13782 Jamboree Rd	Irvine	CA	92602
263	1	365 Lancaster Dr SE	Salem	OR	97317
267	1	104 Constitution Dr	Virginia Beach	VA	23462

272	1	121 Tuckahoe Rd	Sewell	NJ	08080
275	1	2200 Lebanon Valley Mall	Lebanon	PA	17042
285	1	3300 Chambers Rd	Horseheads	NY	14845
295	1	2369 W Florida Ave	Hemet	CA	92545
297	1	1367 N Expressway	Griffin	GA	30223
298	1	3720 Main St	Manayunk	PA	19127
309	1	12884 City Center Blvd	Jacksonville	FL	32218
310	1	1739 Arden Way	Sacramento	CA	95815
316	1	2525 San Ramon Valley Blvd	San Ramon	CA	94583
327	1	10075 Town and Country Blvd	Noblesville	IN	46060
329	1	2625 Scottsville Rd	Bowling Green	KY	42103
331	1	151 American Blvd	Turnersville	NJ	08012
332	1	2274 Shattuck Ave	Berkeley	CA	94704
340	1	7420 South Ave	Youngstown	OH	44512
341	1	635 Fairfield Dr	Merced	CA	95348
344	1	9586 Destiny Usa Dr	Syracuse	NY	13204
359	1	107 Mill Rd	Staten Island	NY	10306
360	1	12921 Indian School NE	Albuquerque	NM	87112
368	1	505 S 20th St	Laramie	WY	82070
369	1	1350 SE Waverly Dr	Albany	OR	97322
372	1	101 F St	Davis	CA	95616
386	1	789 E Tahquitz Canyon Way	Palm Springs	CA	92262
388	1	2221 N Jackson	Tullahoma	TN	37388
393	1	1730 NW 9th St	Corvallis	OR	97330
405	1	5243 Buckeystown Pike	Fredrick	MD	21704
407	1	340 SW Morrison	Portland	OR	97204
411	1	5860 Harbour View Blvd	Suffolk	VA	23435
418	1	2 Galleria Mall Dr	Taunton	MA	02780
422	1	3400 Forest Dr	Columbia	SC	29204
424	1	2 River Colony Dr	Bossier City	LA	71111
428	1	6262 West Lane	Stockton	CA	95210
431	1	12285 Limonite Ave	Eastvale	CA	91752
432	1	500 Valley River Ctr	Eugene	OR	97401
433	1	123 Old State Rd at Rte 8	Lanesborough	MA	01237
439	1	1500 Oviedo Mall Blvd	Oviedo	FL	32765
442	1	454 Brookway Blvd	Brookhave	MS	39601
459	1	4155 State Route 31	Clay	NY	13041
462	1	3565 South Platte River Dr	Sheridan	CO	80110
464	1	1000 West Oaks Mall	Houston	TX	77082
475	1	648 Market St	Grand Junction	CO	81505
476	1	631 Richmond Rd	Richmond Heights	OH	44143
478	1	14716 Baltimore Ave	Laurel	MD	20707
479	1	760 W Broad St	Boise	ID	83702
482	1	2401 Mall Dr	North Charleston	SC	29406
483	1	111 East Puainako St	Hilo	HI	96720
487	1	100 Town Center East	Santa Maria	CA	93454
488	1	9741 Chapman Ave	Garden Grove	CA	92841
499	1	1441 Tamiami Trail	Port Charlotte	FL	33948
502	1	1351 W Imperial Hwy	La Habra	CA	90631
509	1	495 Union St	Waterbury	CT	06706
520	1	3290 NW Federal Way	Jensen Beach	FL	34957
527	1	420 G St	Davis	CA	95616
532	1	680 SW Powerhouse Dr	Bend	OR	97702

538	1	401 S Mt Juliet Rd	Moint Juliet	TN	37122
540	1	2222 East 146th St	Carmel	IN	46033
554	1	4801 Cortez Rd W	Bradenton	FL	34210
557	1	1000 W Olympic Blvd	Los Angeles	CA	90015

## FORMS AND ENDORSEMENTS

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

<u>Form or Endorsement Number</u>	<u>Form or Endorsement Name</u>
SNP 90 12 01 17	Alaska Attorney Fees – Notice to Policyholders
CNP 90 06 01 17	Disclosure Pursuant to Terrorism Risk Insurance Act
SNP 90 13 07 17	Kentucky Local Government Premium Tax
EN4317 08-10	Louisiana Notice to Policyholders
EN9053 08-16	Massachusetts – Fire Losses Following Terrorism Advisory Notice to Policyholders
SNI 31 01 07 13	New York Hazardous Materials Notice
EN4231 01-04	Notice to Policyholder
SNP 35 02 01 17	Oklahoma Notice
SNP 36 01 10 17	Oregon Marijuana Exclusion – Notice to Policyholders
SNI 90 01 05 12	Policyholder Notice – Company Contact Information
SNP 39 01 01 17	South Carolina – Potential Eligibility for Windstorm Loss Mitigation Premium Discounts Advisory Notice to Policyholders
SNP 42 02 07 13	Texas Period to File a Claim or Bring Legal Action Against Us Notice – Wind or Hail – Catastrophe Area
SNI 43 03 05 13	Utah Information to Policyholders
PY 04 01 01 17	Additional Insured
PY 04 02 01 17	Additional Named Insured

SL9954 10-08	CROWN INTERMEDIATE HOLDCO INC AMENDATORY ADDITION OF SPECIFIC POLICY PROVISIONS
PZ 00 01 08 16	Communicable Disease and Bed Bug Decontamination Cost Endorsement
IC0018 01-04	Countersignature Endorsement (FL)
IC0017 01-09	Countersignature Endorsement (MS)
IC0019 01-04	Countersignature Endorsement (NV)
SL9101R 01-15	Exclusion of Certified Act(s) of Terrorism
PY 03 03 01 17	Green Buildings Endorsement
PY 04 10 01 17	Removal of Vacancy Condition
PY 04 07 01 17	Schedule of Lenders or Mortgagees
PZ 00 09 08 16	Values at Risk and Premium Adjustment
Endorsement 1 – Policy Amendment	Assigned Adjuster Clause

## STATE AMENDATORY ENDORSEMENTS

Endorsement Number	Endorsement Name
PY 01 01 01 17	Alabama Changes
PY 01 02 01 17	Alaska Changes
PY 01 03 01 17	Arizona Changes
PY 01 04 10 17	Arkansas Changes
PY 01 05 01 17	California Changes
PY 01 06 01 17	Connecticut Changes
PY 01 07 01 17	Florida Changes
PY 01 08 01 17	Georgia Changes
PY 01 09 01 17	Hawaii Changes
PY 01 10 01 17	Illinois Changes
PY 01 43 08 17	Indiana Changes
PY 01 11 01 17	Kansas Changes
PY 01 12 01 17	Kentucky Changes
PY 01 13 01 17	Louisiana Changes
PY 01 42 01 17	Maine Changes
PY 01 14 01 17	Maryland Changes

PY 01 41 01 17	Massachusetts Changes
PY 01 15 09 17	Michigan Changes
PY 01 16 01 17	Minnesota Changes
PY 01 17 01 17	Mississippi Changes
PY 01 18 01 17	Missouri Changes
PY 01 19 01 17	Montana Changes
PY 01 20 01 17	Nebraska Changes
PY 01 21 01 17	Nevada Changes
PY 01 22 01 17	New Hampshire Changes
PY 01 23 01 17	New Jersey Changes
PY 01 24 01 17	New York Changes
PY 01 25 01 17	North Carolina Changes
PY 01 27 01 17	Ohio Changes
PY 01 28 01 17	Oklahoma Changes
PY 01 29 01 17	Oregon Changes
PY 01 30 01 17	Pennsylvania Changes
PY 01 31 01 17	South Carolina Changes
PY 02 44 01 17	Tennessee Changes – Cancellation and Nonrenewal



PY 01 33 01 17	Texas Changes
PY 01 34 01 17	Utah Changes
PY 01 36 01 17	Virginia Changes
PY 01 37 01 17	Washington Changes
PY 01 38 01 17	West Virginia Changes
PY 01 40 01 17	Wyoming Changes

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**ADDITIONAL INSURED**

This endorsement modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**We** will provide insurance under this Policy to each of the persons or organizations shown as an additional insured on the Schedule of this endorsement.

**We** will adjust any **covered loss** only with **you**.

**We** will make **our** payment jointly to **you** and any person or organization shown on the Schedule.

This endorsement applies only to **covered property** shown on the Schedule.

Schedule

Additional Insured	<b>Covered Property</b> Address	Interest of Additional Insured
Per certificates and/or schedule on file with us.		

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**ADDITIONAL NAMED INSURED**

This endorsement modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**We** will provide insurance under this Policy to each of the persons or organizations shown as an additional named insured on the Schedule of this endorsement.

**We** will adjust any **covered loss** only with **you**.

**You** will pay the premium for the insurance **we** provide to the additional named insureds. In the event that **you** become bankrupt or insolvent, each additional named insured shall pay the premium for the insurance it receives.

**We** will make **our** payment jointly to **you** and any person or organization shown on the Schedule.

Schedule

Additional Named Insured	Location
Per certificates and/or schedule on file with us.	

All other terms and conditions remain unchanged.

Policy number MJ2-L4L-004833-069

This endorsement is effective 06/01/2019 and will terminate with the policy. It is issued by the company designated in the Declarations. All other provisions of the policy remain unchanged.

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

**CROWN INTERMEDIATE HOLDCO INC AMENDATORY  
ADDITION OF SPECIFIC POLICY PROVISIONS**

As shown on the Schedule of this endorsement, it is agreed the following provisions are added to and made part of this policy:

Schedule

Policy Type:

- Primary
- Excess
- Quota Share
- DIC

Provision Number	Additional Provisions
------------------	-----------------------

Policy Type	Quota Share
-------------	-------------

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

**COMMUNICABLE DISEASE AND BED BUG DECONTAMINATION COST ENDORSEMENT**

The following PROPERTY DAMAGE COVERAGE AND LIMITATION is added to SECTION II, **D.** of this Policy:

*COMMUNICABLE DISEASE* and BED BUG DECONTAMINATION COSTS

- a. If **your covered property** at a covered **location** shown on the Schedule of this endorsement is contaminated by a *communicable disease* or bed bugs as the direct result of a **covered loss**, and there is in force at the time of that **covered loss** a law or ordinance that requires **you** to decontaminate that **covered property** as a result of this contamination by a *communicable disease*, **we** will pay up to the limit as specified in the LIMITS OF LIABILITY Table in the Declarations in any one (1) **occurrence** for those decontamination costs incurred by **you**, but only to satisfy the minimum requirements of that applicable law or ordinance.
- b. **We** will not pay under this endorsement, however, for:
  - (1) Any cost of removing contaminated property, or the cost to clean up the **contamination** for property not owned by **you** whether or not the **contamination** results from a **covered loss**; or
  - (2) Any costs associated with any other **contamination** loss.
- c. For purposes of this extension the italicized term *communicable disease* means a viral or bacterial organism that is capable of inducing disease, illness, physical distress or death.

**Schedule**

**Covered Location**

All Covered Locations.

Policy number MJ2-L4L-004833-069

This endorsement is effective 06/01/2019 and will terminate with the policy. It is issued by the company designated in the Declarations. All other provisions of the policy remain unchanged.

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

**COUNTERSIGNATURE ENDORSEMENT**

This endorsement is effective at the inception of the policy and attaches to and forms a part of this policy.

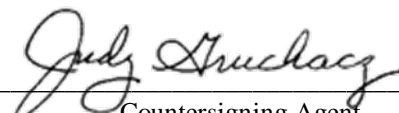
Type of Insurance

State

Special Property Policy

Florida

Signed by \_\_\_\_\_

  
Countersigning Agent

Policy number MJ2-L4L-004833-069

This endorsement is effective 06/01/2019 and will terminate with the policy. It is issued by the company designated in the Declarations. All other provisions of the policy remain unchanged.

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

**COUNTERSIGNATURE ENDORSEMENT**

This endorsement is effective at the inception of the policy and attaches to and forms a part of this policy.

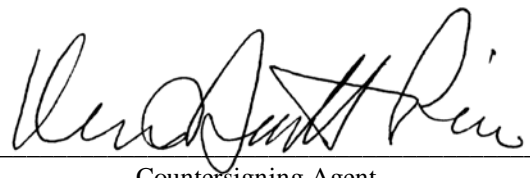
Type of Insurance

State

Special Property Policy

Mississippi

Signed by



\_\_\_\_\_

Countersigning Agent

Policy number MJ2-L4L-004833-069

This endorsement is effective 06/01/2019 and will terminate with the policy. It is issued by the company designated in the Declarations. All other provisions of the policy remain unchanged.

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

**COUNTERSIGNATURE ENDORSEMENT**

This endorsement is effective at the inception of the policy and attaches to and forms a part of this policy.

Type of Insurance

State

Special Property Policy

Nevada

Signed by \_\_\_\_\_

*Tony Boatright*  
Countersigning Agent



Policy number MJ2-L4L-004833-069

This endorsement is effective 06/01/2019 and will terminate with the policy. It is issued by the company designated in the Declarations. All other provisions of the policy remain unchanged.

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

## **EXCLUSION OF CERTIFIED ACT(S) OF TERRORISM**

This endorsement modifies insurance provided by this policy as follows:

### **1. Definition of *Certified Act(s) of Terrorism***

For the purpose of this endorsement, the italicized phrase *certified act(s) of terrorism* means one (1) or more acts 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 terrorism pursuant to the federal Terrorism Risk Insurance Act, including all amendments (hereafter "TRIA"). The criteria contained in TRIA for *certified act(s) of terrorism* include that 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.

### **2. Exclusion of *Certified Act(s) of Terrorism***

The following exclusion is added:

We will not pay for loss or damage caused by or resulting from *certified act(s) of terrorism*, regardless of any other cause or event, including a peril insured against, that contributes to the loss at the same time or in any other sequence.

### **3. Exception Covering Certain Fire Losses**

If a *certified act of terrorism* results in fire, subject to all applicable policy provisions, we will pay up to the following applicable amount(s) in any one (1) occurrence for loss or damage caused by that fire:

- A.** The applicable limit of liability for covered property in any and all States listed on the Schedule of this endorsement, or
- B.** A limit of liability of \$1,000,000 for covered property in any and all States that are not listed on the Schedule of this endorsement.

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 loss of business income or extra expense coverage forms or endorsements which apply to or modify those forms.

### **4. Cap on Losses From *Certified Act(s) of Terrorism***

If aggregate insured losses attributable to *certified act(s) of terrorism*:

- A.** exceed \$100 billion in a calendar year (January 1 through December 31); and
- B.** we have met our deductible under the Act;

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## **EXCLUSION OF CERTIFIED ACT(S) OF TERRORISM (Continued)**

neither we nor the Secretary of the Treasury shall be liable for the payment of any portion of the amount of such losses that exceeds the \$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.

### **5. 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 by this policy, such as losses excluded by any Nuclear Hazard Exclusion or War and Military Action Exclusion.

### **6. Clarification of Definitions**

- A.** In the event the word Company or another word is used in this policy to designate the company issuing this policy it is replaced by the words “we”, “us” or “our(s)” depending on the context it is used in. For the purpose of this endorsement the words “we”, “us”, and “our(s)” means the company issuing this policy as shown on the DECLARATIONS of this policy.
- B.** In the event the word Insured or another word is used in this policy to designate the name insured it is replaced by the words “you” and “your(s)” depending on the context it is used in. For the purpose of this endorsement the words “you” and “your(s)” means the named insured as shown on the DECLARATIONS of this policy.

#### Schedule of States

California, Georgia, Hawaii, Illinois, Iowa, Maine, Missouri, New Jersey, New York, North Carolina, Oregon, Rhode Island, Washington, West Virginia, Wisconsin, and the US Virgin Islands

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

**GREEN BUILDINGS ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**PREMIER PROPERTY PROTECTOR™**

- A. We** provide the following PROPERTY DAMAGE COVERAGE AND LIMITATION for a **covered loss** as specified in the LIMITS OF LIABILITY AND TIME LIMITS Table in the Schedule of this endorsement, subject to the terms, conditions and exclusions of this Policy:

**GREEN BUILDINGS RECERTIFICATION**

- a. We** cover the following resulting from a **covered loss** at a covered **location** that has been certified as a Green Building by either the U.S. Green Building Council's LEED® Certification Program or the Green Globes™ Certification Program:

- (1)** Costs and expenses **you** incur to recertify **your covered property** that has been certified as a Green Building to the same certification level (or, at **your** option, one (1) certification level higher) that existed at the time of the **covered loss**;
- (2)** Any engineering or professional oversight required for recertification;
- (3)** Any testing or documentation that the reconstruction was performed as required for recertification;
- (4)** Any temporary HVAC systems used during reconstruction as required for recertification;
- (5)** The cost incurred for ventilating **your** reconstructed Green Building with outdoor air for the minimum time and period required for recertification, but not exceeding four (4) consecutive weeks;
- (6)** Any fee **you** incur for recertification;
- (7)** The additional cost of recycling (as opposed to disposing of) **your** debris, however **we** will not pay more than the applicable LIMIT OF LIABILITY for DEBRIS REMOVAL;
- (8)** Direct physical loss or damage to Vegetative Roofing System(s) consisting of soils, grass, trees, flowers or other vegetation, provided that such loss or damage is not caused by:
  - (a)** Disease, drought, freezing, thawing, or the presence, pressure or weight of ice, water or snow; or
  - (b)** Any substance or organism, whether organic or inorganic, that feeds on, destroys, or is capable of damaging any Vegetative Roofing System(s), but is not a substance or organism, whether organic or inorganic, that is capable of damaging the other components of **real property** at that covered **location**.

- B. TIME ELEMENT COVERAGES** are extended to include the following, subject to all Policy terms, conditions and exclusions, and the time, distance and/or dollar amounts specified in the LIMITS OF LIABILITY AND TIME LIMITS Table in the Schedule of this endorsement:

GREEN BUILDINGS PERIOD OF LIABILITY

- a. If **you** elect to recertify **your covered property** or upgrade to Green Materials as provided by paragraph 1. of this endorsement, then the PERIOD OF LIABILITY associated with that **covered loss** will include the minimum additional time necessary for **you** to recertify **your** Green Building(s) or upgrade to Green Materials with due diligence and dispatch. In no event, however, will the PERIOD OF LIABILITY exceed the number of consecutive months shown in the Schedule of this endorsement, from the date of the **covered loss**.

All other terms and conditions remain unchanged.

Schedule

COVERAGE	LIMITS OF LIABILITY AND TIME LIMITS
GREEN BUILDINGS RECERTIFICATION GREEN BUILDINGS PERIOD OF LIABILITY	\$5,000,000  12 consecutive months

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**REMOVAL OF VACANCY CONDITION**

This endorsement modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

The VACANCY condition of SECTION V – GENERAL POLICY CONDITIONS does not apply to the **location(s)** shown in the Schedule of this endorsement.

Schedule

<b>Location(s)</b>
All Covered Locations.

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**SCHEDULE OF LENDERS OR MORTGAGEES**

<b>Location</b>	Description of Property	Name and Address of Lender or Mortgagee	Interests ("L" for Lender) ("M" for Mortgagee)
Per certificates and/or schedule on file with us.			

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**VALUES AT RISK AND PREMIUM ADJUSTMENT**

**Your** premium will be adjusted each year or at cancellation of this Policy as follows:

- A.** **You** will submit to **us** a complete statement of values of all **covered property** within thirty (30) days after the end of each Policy year or the date of cancellation. The statement of values will include the total values of all **covered property**.
- B.** An adjustment of premium will be made if the average values computed are greater than or less than 5% of the total values submitted at the beginning of the Policy year. Premium will be calculated on a pro-rata basis from the date the **covered property** was acquired.
- C.** If values fluctuate by more than 5%, **your** adjustment will be based upon the average of the total values of all **covered property** at the beginning of the Policy year and the total values of all **covered property** insured at the end of the Policy year or cancellation date. The average values multiplied by an annual rate of 0.0939 will result in the adjusted earned premium for the Policy year. If the adjusted earned premium is greater than the premium at the beginning of the Policy year, **you** will pay the difference to **us**. If the adjusted earned premium is less than the premium at the beginning of the Policy year, **we** will pay the difference to **you**.

**You** will keep **your** applicable records for each Policy year, and permit **us** to inspect them as often as **we** reasonably require:

- D.** During normal business hours;
- E.** For a period of twelve (12) months after the end of the Policy period or after any cancellation date.

## **ENDORSEMENT 1 – Policy Amendment**

It is noted and agreed that the policy is hereby amended as follows:

### **ASSIGNED ADJUSTER CLAUSE**

It is agreed that at the Insured's option, the Company will use **Cunningham Lindsay** for the adjustment of all claims made against this policy. This assignment may be changed by mutual consent of the Insured and the Company.

### **Loss Adjustment Expense**

This policy is extended to include expenses incurred by the Insured, or by the Insured's representatives for preparing and certifying details of a claim resulting from a loss which would be payable under this policy. However, this Company shall not be liable under this clause for expenses incurred by the Insured in utilizing the services of a public adjuster or attorneys.



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

**ALABAMA CHANGES**

This endorsement applies only to **covered property** located in Alabama and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** The following is added to SECTION II – PROPERTY DAMAGE, **C.2** EXCLUSIONS:

**k.** Any act committed by **you** or at **your** direction, by others, which is intended to cause loss or damage. This exclusion will not apply to deny coverage to an innocent additional named insured or additional insured who did not cooperate in or contribute to the creation of the loss, provided it is a **covered loss**, and the loss arose out of an act of domestic abuse. Such coverage will be provided only if the innocent additional named insured or additional insured provides evidence to **us** that the loss is related to the act of domestic abuse and:

- (1)** Files and does not voluntarily dismiss a complaint against the abuser under the Protection From Abuse Act;
- (2)** Seeks a warrant for the abuser's arrest and pledges to cooperate in any criminal prosecution of the abuser who committed the act causing the loss or damage.

**Our** payment for a **covered loss** to the innocent additional named insured or additional insured is limited to that insured's insurable interest in the **covered property** as reduced by any payment to a mortgagee or other secured interest. In no event will **we** pay more than the applicable LIMIT OF LIABILITY.

**B.** The following is added to SECTION V - GENERAL POLICY CONDITIONS:

INCREASE IN PREMIUM

If **we** increase **your** renewal premium, **we** will mail or deliver to **you** written notice of **our** intent to increase the premium at least thirty (30) days before the effective date of the premium increase.

Any notice of renewal premium increase will be mailed or delivered to **your** last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

**C.** The following is added to SECTION VI – LOSS CONDITIONS, **H.** SUBROGATION:

**3.** If **we** pay an additional named insured or additional insured for loss arising out of an act of domestic abuse by another insured, the rights of the additional named insured or additional insured, who did not cooperate in or contribute to the creation of the loss, to recover damages from the perpetrator of domestic abuse are transferred to **us** to the extent of **our** payment. Following the loss, the additional named insured or additional insured who did not cooperate in or contribute to the loss may not waive such rights to recover against the perpetrator of domestic abuse.

D. Paragraph 1. of SECTION VII - DEFINITIONS is replaced with the following:

1. **Actual cash value:** The amount it would cost to repair or replace **covered property**, at the time of the loss at the **location** where the loss happened, with material of like kind and quality and used for the same purpose, subject to a deduction for depreciation. However, if the **covered property** is a residential property that, at the time of loss or damage, has nominal or no economic value, or a value disproportionate to replacement cost less depreciation, the determination of **actual cash value** as set forth herein is not required. **Actual cash value** applies to valuation of **covered property** regardless of whether that property has sustained partial or total loss or damage. The **actual cash value** of **covered property** may be significantly less than its replacement cost.

All other terms and conditions remain unchanged.

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

**ALASKA CHANGES**

This endorsement applies only to **covered property** located in Alaska and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

- A.** In any suit **we** elect to defend in Alaska, **our** obligation under Paragraph **D.9 DEFENSE FOR PERSONAL PROPERTY OF OTHERS** of SECTION II – PROPERTY DAMAGE is amended by adding the following:

ATTORNEY'S FEES

**We** will pay that portion of the attorney's fees awarded as costs which does not exceed the amount allowed for a contested case in the schedule of attorney's fees contained in Alaska Civil Rule 82 for a judgment equal to the applicable LIMIT OF LIABILITY.

However, **we** will not pay any attorney's fees on that portion of any judgment or claim settlement which exceeds the applicable LIMIT OF LIABILITY. This means **you** would have to pay any such excess fees directly.

The attorney's fees provided by Alaska Civil Rule 82 for contested cases are:

- 20% of the first \$25,000 of a judgment or claim settlement;
- 10% of the next \$75,000 of a judgment or claim settlement;
- 10% of the next \$400,000 of a judgment or claim settlement; and
- 10% of the portion of a judgment or claim settlement that exceeds \$500,000.

- B.** Paragraph **C. CONCEALMENT, MISREPRESENTATION OR FRAUD** of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**C. CONCEALMENT, MISREPRESENTATION OR FRAUD**

**We** will not pay for any loss or damage if **you** have willfully and with intent to defraud, concealed or misrepresented any material fact or circumstances concerning:

1. This Policy;
2. The **covered property**;
3. **Your** interest in the **covered property**; or
4. A claim under this Policy.

- C.** Paragraph **B. APPRAISAL** of SECTION VI – LOSS CONDITIONS is replaced by the following:

**B. APPRAISAL**

1. If **you** fail to agree with **us** on the amount of a loss, either party may require that the amount be submitted for appraisal. Requests for appraisal will be made in writing. Each party will then choose a competent independent appraiser. Each party will notify the other of the identity of its appraiser within ten (10) days of the written request for appraisal.

2. The two (2) appraisers will promptly choose a competent, impartial umpire. If the appraisers are unable to agree on an umpire within fifteen (15) days, **you** or **we** may petition the judge of a court of record in the state where the **covered property** is located to select an umpire.
3. The appraisers will then determine the amount of the loss or damage. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the amount of **our** payment for the loss or damage. If the appraisers fail to agree within fifteen (15) days, unless the time period is extended by the umpire, they will submit their differences to the umpire. Written agreement signed by any two of these three will determine the amount of loss or damage.
4. Each appraiser will be paid by the party that selects him or her. Other expenses of the appraisal and compensation of the umpire will be paid as determined by the umpire.

D. Paragraph **9.c.** of SECTION VI – LOSS CONDITIONS, **E. DUTIES AFTER A LOSS** is replaced by the following:

- c. Show the remains of the damaged property as often as may be reasonably required by **us**, and submit to examination under oath. **You** have the right to have legal counsel present at the examination.

E. Paragraph **G. PAYMENT OF LOSS** of SECTION VI – LOSS CONDITIONS is replaced by the following:

**G. PAYMENT OF LOSS**

**We** will pay those portions of adjusted claims that are not in dispute within thirty (30) days after submission and acceptance of the proof of loss.

F. Paragraph **I. SUIT AGAINST THE COMPANY** of SECTION VI – LOSS CONDITIONS is replaced by the following:

**I. SUIT AGAINST THE COMPANY**

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within three (3) years next after the inception of the loss.

All other terms and conditions remain unchanged.

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

**ARIZONA CHANGES**

This endorsement applies only to **covered property** located in Arizona and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** The following is added to SECTION II – PROPERTY DAMAGE, **C.2. EXCLUSIONS**:

- k.** Any act committed by **you** or at **your** direction, by others, which is intended to cause loss or damage. This exclusion will not apply to deny coverage to an innocent additional named insured or additional insured who did not cooperate in or contribute to the creation of the loss, provided it is a **covered loss**, and the loss arose out of an act of domestic violence. Coverage will be provided only if the innocent additional named insured or additional insured pledges to cooperate in any criminal prosecution of the abuser who committed the act causing the loss or damage.

**Our** payment for a **covered loss** to the innocent additional named insured or additional insured is limited to that insured's insurable interest in the **covered property** as reduced by any payment to a mortgagee or other secured interest. In no event will **we** pay more than the applicable LIMIT OF LIABILITY.

**B.** Paragraph **C. CONCEALMENT, MISREPRESENTATION OR FRAUD** of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**C. CONCEALMENT, MISREPRESENTATION OR FRAUD**

**We** will not pay for any loss or damage in any case involving misrepresentations, omissions, concealment of facts or incorrect statements:

1. That are fraudulent;
2. That are material either to the acceptance of the risk, or to the hazard assumed by **us**; and
3. Where, if the true facts had been known to **us** as required either by the application for the Policy or otherwise, **we** in good faith would either:
  - a. Not have issued the Policy;
  - b. Not have issued the Policy in as large an amount; or
  - c. Not have provided coverage with respect to the hazard resulting in the loss.

**C.** The following is added to SECTION VI – LOSS CONDITIONS, **H. SUBROGATION**:

3. If **we** pay an additional named insured or additional insured for loss arising out of an act of domestic violence by another insured, the rights of the additional named insured or additional insured, who did not cooperate in or contribute to the creation of the loss, to recover damages from the perpetrator of domestic violence are transferred to **us** to the extent of **our** payment. Following the loss, the additional named insured or additional insured who did not cooperate in or contribute to the loss may not waive such rights to recover against the perpetrator of domestic violence.

All other terms and conditions remain unchanged.

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

**ARKANSAS CHANGES**

This endorsement applies only to **covered property** located in Arkansas and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraphs **1.** and **3.** of SECTION VI – LOSS CONDITIONS, **B.** APPRAISAL are replaced by the following:

- 1.** If **you** fail to agree with **us** on the amount of a loss, either party may require that the amount be submitted for appraisal. However, an appraisal will be made only if both parties agree, voluntarily, to have the loss appraised. Requests for appraisal will be made in writing. Each party will then choose a competent independent appraiser. Each party will notify the other of the identity of its appraiser within 60 days of the written request for appraisal.
- 3.** The appraisers will then determine the amount of the loss or damage. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the amount of **our** payment for the loss or damage. If the appraisers fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two of these three will determine the amount of loss or damage. An appraisal decision will not be binding on the parties involved.

**B.** Paragraph **H.** SUBROGATION of SECTION VI – LOSS CONDITIONS is replaced by the following:

**H.** SUBROGATION

- 1.** If **we** make payment for a loss, **you** will assign to **us** all **your** rights of recovery against any party for that loss. **We** will not acquire any rights of recovery **you** have waived prior to the loss. **You** agree to cooperate and not to waive, prejudice, settle or compromise any claim against any party after the loss.
- 2.** **We** will be entitled to recovery only after **you** have been fully compensated for the loss pursuant to the terms and conditions of this Policy.
- 3.** **You** will be paid your provable uninsured loss after any legal fees and expenses have been deducted.

**C.** Paragraph **I.** SUIT AGAINST THE COMPANY of SECTION VI – LOSS CONDITIONS is replaced by the following:

**I.** SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within five years next after the inception of the loss.

**D.** Whenever used in this Policy, the term depreciation means expense depreciation, which is defined as depreciation, including but not limited to the cost of goods, materials, labor and services necessary to replace, repair or rebuild damaged **covered property**.

In accordance with ARK. CODE ANN. § 23-88-106, **we** are notifying **you** that **we** may apply depreciation, as defined above, pursuant to the terms of the Policy. If depreciation is applied to a loss for damaged **covered property**, **we** shall provide a written explanation as to how the depreciation was calculated.

All other terms and conditions remain unchanged.

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

**CALIFORNIA CHANGES**

This endorsement applies only to **covered property** located in California and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **C. CONCEALMENT, MISREPRESENTATION OR FRAUD** of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**C. CONCEALMENT, MISREPRESENTATION OR FRAUD**

1. If a **covered loss** is caused by or results from fire, **we** will not cover the resulting loss or damage if, with the actual intent to deceive, **you** commit fraud or intentionally conceal or misrepresent any material fact or circumstance, whether before or after the loss, concerning:
  - a. This Policy;
  - b. The **covered property**;
  - c. **Your** interest in the **covered property**; or
  - d. A claim under this Policy.
2. If a **covered loss** is caused by or results from other than fire, this entire Policy is immediately void if, with the actual intent to deceive, **you, your** representative or any insured commit fraud or intentionally conceal or misrepresent any material fact or circumstance, whether before or after the loss, concerning:
  - a. This Policy;
  - b. The **covered property**;
  - c. **Your** interest in the **covered property**; or
  - d. A claim under this Policy.

**B.** Paragraph **B. APPRAISAL** of SECTION VI – LOSS CONDITIONS is replaced by the following:

**B. APPRAISAL**

1. If **you** fail to agree with **us** on the value of the **covered property** or the amount of a loss, either party may demand that the disputed amount be submitted for appraisal. A demand for appraisal will be made in writing within sixty (60) days after **our** receipt of proof of loss. Each party will then choose a competent and disinterested appraiser. Each party will notify the other of the identity of its appraiser within twenty (20) days of the written demand for appraisal.
2. The two (2) appraisers will choose a competent and disinterested umpire. If the appraisers are unable to agree on an umpire within fifteen (15) days, **you** or **we** may petition a judge of a court of record in the state where the **covered loss** happened, to select an umpire.

3. The appraisers will then determine the value of the **covered property** and the amount of the loss or damage. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the amount of **our** payment for the loss or damage. If the appraisers fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two of these three will determine the amount of loss or damage.
4. Each appraiser will be paid by the party that selects him or her. Other expenses of the appraisal and compensation of the umpire will be paid equally by **you** and **us**.

All other terms and conditions remain unchanged.



Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**CONNECTICUT CHANGES**

This endorsement applies only to **covered property** located in Connecticut and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **1.** of SECTION VI – LOSS CONDITIONS, **B.** APPRAISAL, is replaced by the following:

1. If **you** and **we** fail to agree on the amount of a loss, either party may demand that the disputed amount be submitted for appraisal. A demand for appraisal will be made in writing within sixty (60) days after **our** receipt of proof of loss. Each party will then choose a competent and disinterested appraiser. Each party will notify the other of the identity of its appraiser within twenty (20) days of the written demand for appraisal.

**B.** Paragraph **G.** PAYMENT OF LOSS of SECTION VI – LOSS CONDITIONS is replaced by the following:

**G.** PAYMENT OF LOSS

**We** will pay the insured loss within thirty (30) days after **we** receive and accept the signed, sworn Proof of Loss, if:

1. **You** have complied with all the terms of this Policy;
2. **We** have reached agreement with **you** on the amount of the loss, or
3. Within thirty (30) days of when an appraisal award is made as provided for in LOSS CONDITIONS, **B.** APPRAISAL.

Prior to the expiration of the above thirty (30) day time period, **we** may make partial payment towards the amount of loss as an advance payment, provided **we** both agree to such advance payment in writing. The advance payment will be credited towards the total amount of insured loss. An advance payment does not extend the time for payment of the total amount of insured loss.

All other terms and conditions remain unchanged.

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

**FLORIDA CHANGES**

This endorsement applies only to **covered property** located in Florida and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **H.** JURISDICTION of SECTION I – DECLARATIONS is replaced by the following:

**H.** JURISDICTION

Any disputes arising hereunder will be exclusively subject to a State or Federal jurisdiction within the United States of America.

**B.** Exclusion **2.a. (terrorism)** in paragraph **C.** EXCLUSIONS of SECTION II – PROPERTY DAMAGE is deleted.

**C.** The definition of *EARTH MOVEMENT* in SECTION IV – DESCRIBED LOSSES is replaced by the following:

**3.** *EARTH MOVEMENT* is:

Earthquake, landslide, subsidence or sinking, rising or shifting of the earth, *sinkhole* collapse, avalanche, whether natural or man-made, or volcanic eruption; regardless of any other cause or event contributing concurrently or in any other sequence of loss. *Catastrophic ground cover collapse* will not be considered *EARTH MOVEMENT* within the terms and conditions of this Policy.

However, physical loss or damage from fire, explosion, sprinkler leakage or *FLOOD* caused by *EARTH MOVEMENT* will not be considered to be loss by *EARTH MOVEMENT* within the terms and conditions of this Policy.

**D.** Paragraph **G.** PAYMENT OF LOSS of SECTION VI – LOSS CONDITIONS is replaced by the following:

**G.** PAYMENT OF LOSS

**We** will pay the insured loss within twenty (20) days after **we** receive and accept the signed, sworn Proof of Loss, if:

- 1.** **You** have complied with all the terms of this Policy;
- 2.** **We** have reached agreement with **you** on the amount of the loss, or
- 3.** An appraisal award is made as provided for in SECTION VI – LOSS CONDITIONS, **B.** APPRAISAL.

**E.** Paragraph **I.** SUIT AGAINST THE COMPANY of SECTION VI – LOSS CONDITIONS is replaced by the following:

**I.** SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within five (5) years next after the inception of the loss.

F. The following is added to SECTION VI – LOSS CONDITIONS, E. DUTIES AFTER A LOSS:

A claim, supplemental claim or reopened claim for loss or damage caused by hurricane or other windstorm is barred unless notice of claim is given to **us** in accordance with the terms of this Policy within three (3) years after the hurricane first made landfall or a windstorm other than hurricane caused the **covered loss**.

G. The following is added to SECTION VI – LOSS CONDITIONS, F. LOSS ADJUSTMENT / PAYABLE:

Sinkhole Loss

Upon receipt of a claim for a *sinkhole loss*, **we** shall adhere to the following standards when investigating a claim:

1. Inspect **your location** to determine if there is *structural damage* that may be the result of *sinkhole activity*.
2. If **we** confirm that *structural damage* exists but are unable to identify a valid cause of such damage or discover that such damage is consistent with *sinkhole loss*, **we** shall engage a *professional engineer* or a *professional geologist* to conduct testing as provided in s.627.7072 to determine the cause of the loss within a reasonable professional probability and issue a report as provided in s.627.7073, only if *sinkhole loss* is covered under this Policy. Except as provided in subsections **4.** and **6.** below, the fees and costs of the *professional engineer* or *professional geologist* shall be paid by **us**.
3. Following the initial inspection of **your location**, **we** shall provide written notice to **you** disclosing the following information:
  - a. What **we** have determined to be the cause of damage, if **we** have made such a determination.
  - b. A statement of the circumstances under which **we** are required to engage a *professional engineer* or a *professional geologist* to verify or eliminate *sinkhole loss* and to engage a *professional engineer* to make recommendations regarding land and building stabilization and foundation repair.
  - c. A statement regarding **your** right to request testing by a *professional engineer* or a *professional geologist*, the circumstances under which **you** may demand certain testing, and the circumstances under which **you** may incur costs associated with testing.
4.
  - a. If coverage for *sinkhole loss* is available and **we** deny the claim without performing testing under s.627.7072, **you** may demand testing by **us** under s.627.7072.
    - (i) **Your** demand for testing must be communicated to **us** in writing within sixty (60) days after **you** receive **our** denial of the claim.
    - (ii) **You** shall pay fifty (50) percent of the actual costs of the analyses and services provided under s.627.7072 and s.627.7073 or \$2,500, whichever is less.
  - b. **We** shall reimburse **you** for the costs if **our** engineer or geologist provides written certification pursuant to s.627.7073 that there is *sinkhole loss*.
5. If a *sinkhole loss* is verified, **we** shall pay to stabilize the land and building and repair the foundation in accordance with the recommendations of the *professional engineer* retained pursuant to subsection **2.** above, with notice to **you**, subject to the terms and conditions of this Policy. **We** shall pay for other repairs to the structure and contents in accordance with the terms of this Policy. If a covered building suffers a *sinkhole loss* or a *catastrophic ground cover collapse*, **you** must repair such damage or loss in accordance with **our** *professional engineer's* recommended repairs. However, if **our** *professional engineer* determines that the repair cannot be completed within the LIMITS OF LIABILITY of this Policy, **we** will pay to complete the repairs recommended by **our** *professional engineer* or tender the LIMITS OF LIABILITY of this Policy to **you**.

- a. **We** may limit **our** total claims payment to the **actual cash value** of the *sinkhole loss*, which does not include underpinning or grouting or any other repair technique performed below the existing foundation of the building, until **you** enter into a contract for the performance of building stabilization or foundation repairs in accordance with the recommendations set forth in **our** report issued pursuant to s.627.7073.
  - b. In order to prevent additional damage to the building or structure, **you** must enter into a contract for the performance of building stabilization and foundation repairs within ninety (90) days after **we** confirm coverage for the *sinkhole loss* and notify **you** of such confirmation. This time period is tolled if either party invokes the *neutral evaluation* process, and begins again ten (10) days after the conclusion of the *neutral evaluation* process.
  - c. After **you** enter into the contract for the performance of building stabilization and foundation repairs, **we** shall pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred. **We** may not require **you** to advance payment for such repairs.
  - d. The stabilization and all other repairs to the structure and contents must be completed within twelve (12) months after entering into the contract for repairs described in subparagraph b. above unless:
    - (i) There is mutual agreement between **us** and **you**;
    - (ii) The claim is involved with the *neutral evaluation* process;
    - (iii) The claim is in litigation; or
    - (iv) The claim is under appraisal or mediation.
  - e. Upon **our** obtaining the written approval of any lienholder, **we** may make payment directly to the persons selected by **you** to perform the land and building stabilization and foundation repairs. The decision by **us** to make payments to such persons does not hold **us** liable for the work performed. **You** may not accept a rebate from any person performing the repairs specified in this section. If **you** do receive a rebate, coverage is void and **you** must refund the amount of the rebate to **us**. Any person making the repairs specified in this section who offers a rebate commits insurance fraud punishable as a third degree felony as provided in s.775.082, s.775.083 or s.775.084.
6. If **we** obtain, pursuant to s.627.7073, written certification that there is no *sinkhole loss* or that the cause of the damage was not *sinkhole activity*, and if **you** have submitted the *sinkhole* claim without good faith grounds for submitting such claim, **you** shall reimburse **us** for fifty (50) percent of the actual costs of the analyses and services provided under ss.627.7072 and 627.7073; however, **you** are not required to reimburse **us** more than \$2,500 with respect to any claim. **You** are required to pay reimbursement only if **you** requested the analyses and services provided under ss.627.7072 and 627.7073 and **we**, before ordering the analysis under s.627.7072, inform **you** in writing of **your** potential liability for reimbursement and give **you** the opportunity to withdraw the claim.
7. **We** will not nonrenew this Policy on the basis of filing claims for *sinkhole loss* if the total of such payments does not equal or exceed the applicable LIMITS OF LIABILITY for this Policy in effect on the date of loss, for property damage to the covered **location(s)**, as shown on the Declarations Page, or if **you** repaired the structure in accordance with the engineering recommendations made pursuant to subsection 2. above upon which any payment or Policy proceeds were based. If **we** pay such limits for *sinkhole loss*, **we** may nonrenew this Policy.
8. **We** may engage a professional structural engineer to make recommendations as to the repair of the structure.
9. *Catastrophic ground cover collapse* is geological activity that results in all of the following:
- a. The abrupt collapse of the ground cover;
  - b. A depression in the ground cover clearly visible to the naked eye;

- c. *Structural damage* to the covered building, including the foundation; and
- d. The covered building being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

Contents coverage applies if there is a loss resulting from a *catastrophic ground cover collapse*. *Structural damage* consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a *catastrophic ground cover collapse*.

- 10. *Neutral evaluation* is the alternative dispute resolution provided in s.627.7074.
- 11. *Neutral evaluator* is a *professional engineer* or a *professional geologist* who has completed a course of study in alternative dispute resolution designed or approved by the Department of Financial Services for use in the *neutral evaluation* process and who is determined by the Department of Financial Services to be fair and impartial, and may not otherwise be ineligible for certification as provided under 627.7074.
- 12. *Primary structural member* is a structural element designed to provide support and stability for the vertical and lateral loads of the overall structure.
- 13. *Primary structural system* is an assemblage of *primary structural members*.
- 14. *Professional engineer* is a person, as defined in s.471.005, who has a bachelor's degree or higher in engineering. A *professional engineer* must also have experience and expertise in the identification of *sinkhole activity* as well as other potential causes of *structural damage*.
- 15. *Professional geologist* is a person, as defined in s.492.102, who has a Bachelor's degree or higher in geology or related earth science and experience and expertise in the identification of *sinkhole activity* as well as other potential geologic causes of *structural damage*.
- 16. *Sinkhole* is a landform created by subsidence of soil, sediment or rock as underlying strata are dissolved by groundwater. A *sinkhole* forms by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.
- 17. *Sinkhole activity* is settlement or systematic weakening of the earth supporting the covered building only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.
- 18. *Sinkhole loss* is *structural damage* to the covered building, including the foundation, caused by *sinkhole activity*. If applicable, contents coverage and additional living expenses apply only if there is *structural damage* to the covered building caused by *sinkhole activity*.
- 19. *Structural damage* is a covered building, regardless of the date of its construction, that experienced the following:
  - a. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;
  - b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the *primary structural members* or *primary structural systems* that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those *primary structural members* or *primary structural systems* exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose or location;
  - c. Damage that results in listing, leaning or buckling of the exterior load-bearing walls or other vertical *primary structural members* to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code.

- d. Damage that results in the building, or any portion of the building containing *primary structural members* or *primary structural systems*, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such a building as defined within the Florida Building Code; or
- e. Damage occurring on or after October 15, 2005 that qualifies as “substantial structural damage” as defined in the Florida Building Code.

All other terms and conditions remain unchanged.

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

**GEORGIA CHANGES**

This endorsement applies only to **covered property** located in Georgia and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **B.** POLICY PERIOD of SECTION I – DECLARATIONS is replaced by the following:

**B.** POLICY PERIOD

The term of this Policy is from 6/2/2018 to 6/2/2019 at 12:01 a.m. at the **location** of property involved as provided in this Policy.

**B.** Paragraph **2.d.** of SECTION II – PROPERTY DAMAGE, **C.** EXCLUSIONS is replaced by the following:

**d.** Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act. However:

**(1)** if there is a statute in effect in the jurisdiction where the loss or damage happens that prohibits the exclusion of fire losses caused by such discharge, explosion or use; and

**(2)** such discharge, explosion or use directly results in fire

**we** cover the physical loss or damage caused by the fire.

**C.** Paragraph **2.e.** of SECTION II – PROPERTY DAMAGE, **C.** EXCLUSIONS is replaced by the following:

**e.** The unlawful possession, use, release, discharge, dispersal or disposal of any chemical, biological, viral, radioactive or similar agents or matter, whether in time of peace or war and regardless of who commits the act. However,

**(1)** if there is a statute in effect in the jurisdiction where the loss or damage happens that prohibits the exclusion of fire losses caused by such possession, use, release, discharge dispersal or disposal; and

**(2)** such possession, use, release, discharge dispersal or disposal directly results in fire

**we** cover the physical loss or damage caused by the fire.

**D.** Paragraph **23.d.(1)** of SECTION II – PROPERTY DAMAGE, **D.** PROPERTY DAMAGE COVERAGES AND LIMITATIONS, OFF PREMISES INTERRUPTION OF SERVICES – PROPERTY DAMAGE is replaced by the following:

**(1)** **You** will promptly notify the suppliers of services of any interruption of any such services.

**E.** Paragraph **9.d.(1)** of SECTION III – TIME ELEMENT, **E.** TIME ELEMENT COVERAGES AND LIMITATIONS, OFF PREMISES INTERRUPTION OF SERVICES – TIME ELEMENT is replaced by the following:

**(1)** **You** will promptly notify the suppliers of services of any interruption of any such services.

F. Paragraph 7. is added to SECTION V – GENERAL POLICY CONDITIONS, B. CANCELLATION with respect to a Policy that is written to permit an audit:

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

- a. **We** will make two (2) documented efforts to send **you** and **your** agent notification of potential cancellation. After the second notification has been sent, **we** have the right to cancel this Policy by mailing or delivering a written notice of cancellation to **you** at least ten (10) days before the effective date of cancellation, but not within twenty (20) days of the first documented notification effort.
- b. 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 **you** at the last known mailing address by certified mail or statutory overnight delivery with return receipt requested.

G. Paragraph C. CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

C. CONCEALMENT, MISREPRESENTATION OR FRAUD

**We** will cancel this Policy and deny any claims, if with the actual intent to deceive

1. **You**;
2. **Your** representatives; or
3. Any insured;

commit fraud or conceal or misrepresent a fact or circumstance concerning:

- a. This Policy;
- b. The **covered property**;
- c. **Your** interest in the **covered property**; or
- d. A claim under this Policy.

H. The following is added to paragraph 2.a. of SECTION V – GENERAL POLICY CONDITIONS, Q. VACANCY:

However, if such loss or damage results in fire, **we** will pay for the loss or damage caused by that fire.

I. Paragraph 4. is added to SECTION V – GENERAL POLICY CONDITIONS, R. VALUATION:

4. **We** will not pay for an actual or perceived reduction in the market value of any **covered property**. But if the **covered property** that has sustained physical loss or damage is subject to an endorsement which explicitly addresses market value, then that endorsement will apply to such **covered property** in accordance with its terms.

H. Paragraph 1. of SECTION VI – LOSS CONDITIONS, E. DUTIES AFTER A LOSS is replaced by the following:

1. Give **us** prompt written notice of the loss;

All other terms and conditions remain unchanged.



Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**HAWAII CHANGES**

This endorsement applies only to **covered property** located in Hawaii and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **C.** CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V - GENERAL POLICY CONDITIONS is replaced by the following:

**C.** CONCEALMENT, MISREPRESENTATION OR FRAUD

1. If at any time, with the actual intent to deceive, **you** commit fraud with respect to any part of this Policy, this Policy will be declared null and void.
2. It will also be declared null and void if
  - a. **You**;
  - b. **Your** representatives; or
  - c. Any insured;

at any time conceal or misrepresent a fact or circumstance concerning

- (1) This Policy;
- (2) The **covered property**;
- (3) **Your** interest in the **covered property**; or
- (4) A claim under this Policy.

However, a misrepresentation in an application for this insurance policy, or in negotiations for this insurance policy, will not be grounds for declaring this Policy null and void. Instead it will prevent recovery under this insurance if such misrepresentation:

- a. Was made with the actual intent to deceive **us**; or
- b. Materially affects either the acceptance of the risk or the hazard assumed by **us**.

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**ILLINOIS CHANGES**

This endorsement applies only to **covered property** located in Illinois and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **H.** JURISDICTION of SECTION I – DECLARATIONS is replaced by the following:

**H.** JURISDICTION

Any disputes arising hereunder will be exclusively subject to a State or Federal jurisdiction within the United States of America.

**B.** Paragraph **k.** of SECTION II – PROPERTY DAMAGE, **C.2.** EXCLUSIONS is added:

**k.** Any act committed by **you** or at **your** direction, by others, which is intended to cause loss or damage. This exclusion will not apply to deny coverage to an innocent additional named insured who did not cooperate in or contribute to the creation of the loss, provided it is a **covered loss**, and the loss arose out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss.

**Our** payment for a **covered loss** to the innocent additional named insured is limited to that insured's insurable interest in the **covered property** as reduced by any payment to a mortgagee or other secured interest. In no event will **we** pay more than the applicable LIMIT OF LIABILITY.

**C.** Paragraph **C.** CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**C.** CONCEALMENT, MISREPRESENTATION OR FRAUD

**1.** This Policy is void if **you** or any insured commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this Policy, and such fraud, concealment or misrepresentation is stated in the Policy or endorsement or in the written application for this Policy and:

- a.** Was made with actual intent to deceive; or
- b.** Materially affected either **our** decision to provide this insurance or the hazard **we** assumed.

However, this condition will not serve as a reason to void this Policy after the Policy has been in effect for one year or one Policy term, whichever is less.

**2.** **We** do not provide coverage under this Policy to **you** or any other insured who, at any time subsequent to the issuance of this insurance, commit fraud or intentionally conceal or misrepresent a material fact relating to:

- a. This Policy;
- b. The **covered property**;
- c. **Your** interest in the **covered property**; or
- d. A claim under this Policy.

3. Notwithstanding the limitations stated in 1. above, **we** may cancel this Policy in accordance with the terms of the Cancellation Condition.

D. Paragraph 3. of SECTION V – GENERAL POLICY CONDITIONS, F. LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS of is replaced by the following:

- 3. If this Policy is cancelled at **your** request, the coverage for the interest of the Lender or Mortgagee will terminate ten (10) days after **we** send to the Lender or Mortgagee written notice of cancellation, unless:
  - a. Sooner terminated by authorization, consent, approval, acceptance, or ratification of **your** action by the Lender or Mortgagee, or its agent.
  - b. This Policy is replaced by **you**, with a Policy providing coverage for the interest of the Lender or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement Policy, notwithstanding any other provision of this Policy.

E. Paragraph I. SUIT AGAINST THE COMPANY of SECTION VI – LOSS CONDITIONS is replaced with the following:

I. SUIT AGAINST THE COMPANY

No suit or other legal proceeding will be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within two (2) years next after the inception of the loss, extended by the number of days between the date **you** submitted the statement of loss to **us** and the date **we** deny the claim in whole or in part.

All other terms and conditions remain unchanged.

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

**INDIANA CHANGES**

This endorsement applies only to **covered property** located in Indiana and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

- A.** Paragraph **H. JURISDICTION** of SECTION I – DECLARATIONS is replaced by the following:

**H. JURISDICTION**

Any disputes arising hereunder will be exclusively subject to a State or Federal jurisdiction within the United States of America.

- B.** Paragraph **C. CONCEALMENT, MISREPRESENTATION OR FRAUD** of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**C. CONCEALMENT, MISREPRESENTATION OR FRAUD**

- 1.** This entire Policy is void, if with the actual intent to deceive

- a.** **You**;
- b.** **Your** representatives; or
- c.** Any insured;

commit fraud or conceal or misrepresent a fact or circumstance concerning:

- (1)** This Policy;
- (2)** The **covered property**;
- (3)** **Your** interest in the **covered property**; or
- (4)** A claim under this Policy.

- 2.** However, this provision does not apply when a claim is made by an *innocent coinsured*, provided:

- a.** A **covered loss** occurs to the primary residence of the *innocent coinsured*; and
- b.** The *final settlement* for the **covered loss** to the primary residence of the *innocent coinsured* is at least 60% of available insurance proceeds under this Policy.

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

- a.** Any payment made pursuant to paragraph **C.2.** above will be for:

- (1)** The actual cost of repair or replacement of the **covered property** that is the subject of the claim if the actual cost of repair or replacement is less than or equal to the maximum LIMIT OF LIABILITY under this Policy; or

- (2) The maximum LIMIT OF LIABILITY under this Policy if the actual cost of repair or replacement of the **covered property** that is the subject of the claim is greater than the maximum LIMIT OF LIABILITY under this Policy.
- b. Any payment made pursuant to paragraph **C.2.** above is limited to the following:
- (1) An *innocent coinsured's* ownership interest in the **covered property**, less any payments **we** make to a mortgagee or other lienholder with a secured interest in the **covered property**.
  - (2) **We** will not pay another insured for any part of the claim for which **we** have already paid to an *innocent coinsured*.
  - (3) **We** will not pay an amount that is greater than the amount an *innocent coinsured* is entitled to under a decree of dissolution of marriage between the *innocent coinsured* and an individual described in paragraph **C.4.a.** below.
4. For the purpose of this endorsement, *innocent coinsured* means an insured who:
- a. Did not have knowledge of, cooperate in, or intentionally contribute to a **covered loss** that was caused or arranged by another individual who is an insured and:
    - (1) Died in connection with the circumstances that caused the **covered loss**; or
    - (2) Has been charged with a crime based on a court finding that there is probable cause to believe that the individual committed the crime in connection with the circumstances that caused the **covered loss**;
  - b. Signs a sworn affidavit attesting that they did not have knowledge of, cooperate in, or intentionally contribute to the **covered loss**; and
  - c. Cooperates in the investigation and resolution of the claim for the **covered loss**, any police investigation related to the **covered loss**, and any criminal prosecution of the individual that caused or arranged the **covered loss**.
5. For the purpose of this endorsement, *final settlement* is a determination:
- a. Of the amount owed by **us** to an *innocent coinsured* under this Policy for **covered loss** to the *innocent coinsured's* primary residence; and
  - b. Made by:
    - (1) Acceptance of a proof of loss by **us**;
    - (2) Execution of a release by the *innocent coinsured*;
    - (3) Acceptance of an arbitration award by the *innocent coinsured* and **us**; or
    - (4) Judgment of a court of competent jurisdiction.

However, *final settlement* does not apply to any loss or damage related to contents, personal property, or another loss that is not covered under this Policy.

All other terms and conditions remain unchanged.

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

**KANSAS CHANGES**

This endorsement applies only to **covered property** located in Kansas and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **C.** *FRAUDULENT INSURANCE ACT* of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**C.** *FRAUDULENT INSURANCE ACT*

If **you** commit a *fraudulent insurance act* **we** will not pay for any loss or damage caused by or resulting from that act. If **we** have made a claim payment to **you** and a *fraudulent insurance act* is discovered after **our** payment to **you**, **you** will be required to make full restitution of that payment to **us**. For the purpose of this endorsement a *fraudulent insurance act* means an act where any person, including **you**, provides **us** with written, electronic, electronic impulse, facsimile, magnetic, oral or telephonic communications or statements where the known intent is to defraud **us** by concealing or misrepresenting material facts or information regarding this Policy, as part of, or in support of:

1. **Your** application for this Policy including any additional information used to rate this Policy;
2. A claim for payment filed under this Policy;
3. Coverage being provided by this Policy; or
4. Any other benefits that the Policy may provide.

**B.** Paragraphs **1.** and **3.** of SECTION VI – LOSS CONDITIONS, **B.** APPRAISAL are replaced by the following:

1. If **you** fail to agree with **us** on the amount of a loss, either party may require that the amount be submitted for appraisal. However, an appraisal will be made only if both parties agree, voluntarily, to have the loss appraised. Requests for appraisal will be made in writing. Each party will then choose a competent independent appraiser. Each party will notify the other of the identity of its appraiser within sixty (60) days of the written request for appraisal.
3. The appraisers will then determine the amount of the loss or damage. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the amount of **our** payment for the loss or damage. If the appraisers fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two of these three will determine the amount of loss or damage. An appraisal decision will be binding on the parties involved.

**C.** Paragraph **I.** SUIT AGAINST THE COMPANY of SECTION VI – LOSS CONDITIONS is replaced by the following:

**I.** SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within five (5) years next after the inception of the loss.

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**KENTUCKY CHANGES**

This endorsement applies only to **covered property** located in Kentucky and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **k.** of SECTION II – PROPERTY DAMAGE, **C.2. EXCLUSIONS** is added:

**k.** Any act committed by **you** or at **your** direction, by others, which is intended to cause loss or damage. This exclusion will not apply to deny coverage to an innocent additional named insured or additional insured who did not cooperate in or contribute to the loss, provided it is a **covered loss**, if:

(1) The loss or damage is the result of an act of domestic violence; and

(2) The perpetrator of the loss or damage is criminally prosecuted for the act causing the loss.

**Our** payment for a **covered loss** to the innocent additional named insured is limited to that insured's insurable interest in the **covered property** as reduced by any payment to a mortgagee or other secured interest. In no event will **we** pay more than the applicable LIMIT OF LIABILITY.

**B.** Paragraph **3.** of SECTION VI – LOSS CONDITIONS, **H. SUBROGATION** is added:

**3.** If a **covered loss** is caused by or results from an act of domestic violence committed by **you** or any other insured designated in this Policy and **we** make payment to an innocent additional named insured or additional insured who is the victim of the act of domestic violence, (subject to paragraph **A.** of this endorsement) the rights of that innocent additional named insured or additional insured to recover damages from the perpetrator of the act of domestic violence are transferred to **us** to the extent of that payment.

Following the **covered loss**, the innocent additional named insured or additional insured, who did not cooperate in or contribute to the **covered loss** may not waive such rights to recover against the perpetrator of domestic violence.

All other terms and conditions remain unchanged.

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

**LOUISIANA CHANGES**

This endorsement applies only to **covered property** located in Louisiana and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **C.** CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**C.** CONCEALMENT, MISREPRESENTATION OR FRAUD

1. This Policy is void if **you** or any insured commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this Policy, and such fraud, concealment or misrepresentation is stated in the Policy or endorsement or in the written application for this Policy and:
  - a. Was made with actual intent to deceive; or
  - b. Materially affected either **our** decision to provide this insurance or the hazard **we** assumed.
2. **We** do not provide coverage under this Policy to **you** or any other insured who, at any time subsequent to the issuance of this insurance, commit fraud or intentionally conceal or misrepresent a material fact or circumstance, with intent to deceive, relating to:
  - a. This Policy;
  - b. The **covered property**;
  - c. **Your** interest in the **covered property**; or
  - d. A claim under this Policy.

**B.** Paragraph **10.** of SECTION VI – LOSS CONDITIONS, **E.** DUTIES AFTER A LOSS is replaced by the following:

10. Submit to **us**, within ninety (90) days from the date of loss, unless **we** extend the time in writing, a signed, sworn Proof of Loss that states to the best of **your** knowledge and belief:
  - a. The time and cause of the loss;
  - b. **Your** interest and the interest of all others in the property involved;
  - c. Any other policies of insurance that may provide coverage for the loss;
  - d. Any changes in title or occupancy of the property during the Policy period and;
  - e. The amount of **your** claimed loss.

**You** shall also submit with the Proof of Loss:

- (1) A complete inventory of the lost, damaged and destroyed property, showing in detail the quantity, and amount of loss claimed as specified in the valuation provision of the Policy;
- (2) An accurate record(s) of all repair costs and all bills, receipts and related documents that establish the amount of the loss;



- (3) Specifications for any damaged building; and
- (4) Detailed estimates and invoices for the repair of any damage.

However, if the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the **covered property** is located in an area within the declaration, **you** must submit the Proof of Loss to **us** within one hundred eighty (180) days; but this one hundred eighty (180) day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying **you** access to **your** property.

C. Paragraph **G. PAYMENT OF LOSS** of SECTION VI – LOSS CONDITIONS is replaced by the following:

**G. PAYMENT OF LOSS**

**We** will pay those portions of adjusted claims that are not in dispute within thirty (30) days after submission and acceptance of the signed, sworn Proof of Loss.

In the event of a total loss, the LIMIT OF LIABILITY for **real property** represents its value. This provision does not apply to any claim for total loss to any building which is insured as part of a blanket LIMIT OF LIABILITY applicable to two or more buildings. Any claim for total loss to a building insured on a blanket basis will be settled at replacement cost or at **actual cash value**, depending on the Policy provisions applicable to the building sustaining the total loss.

D. Paragraph **H. SUBROGATION** of SECTION VI – LOSS CONDITIONS is replaced by the following:

**H. SUBROGATION**

If any person or organization to or for whom payment under this Policy is made has rights to recover damages from another, those rights are transferred to **us** to the extent of any payment made under this Policy. **You**, or any person or organization to whom payment is made, must do everything necessary to secure **our** rights of recovery and must do nothing after a loss to impair those rights. **You** may waive **your** rights of recovery against another party in writing:

1. Prior to a loss to **covered property**;
2. After a loss to **covered property** only if, at the time of loss the party is one of the following:
  - a. A person or organization insured by this Policy;
  - b. A business entity:
    - (1) Owned or controlled by **you**; or
    - (2) Which owns or controls **you**;
  - c. An employee or employer of **yours**;
  - d. The owner, lessor or tenant of the:
    - (1) described **location**; or
    - (2) **location** where loss or damage occurred,  
including their employees, partners and stockholders; or
  - e. Relatives of **yours** by blood or marriage.

If **you** waive **your** rights of recovery against another party in writing after a loss, **we** can recover from **you** any amount **you** received for that waiver, but **we** cannot recover more than the amount **we** paid **you** for that loss.

E. Paragraph 3. **Contaminant** of SECTION VII - DEFINITIONS is replaced by the following:

3. **Contaminant:** Any foreign substance; impurity; hazardous materials including ammonia, asbestos and lead; poison; toxin; pathogen or pathogenic organism; *bacteria*; virus; disease causing or illness causing agent; fungus; mold or mildew.

F. The following is added to SECTION VII – DEFINITIONS:

*Bacteria* means any of the unicellular, prokaryotic microorganisms of the class Schizomycetes, which vary in terms of morphology, oxygen and nutritional requirements, and motility, and may be free-living, saprophytic, or pathogenic, the latter causing disease in plants, animals or humans.

All other terms and conditions remain unchanged.

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

**MAINE CHANGES**

This endorsement applies only to **covered property** located in Maine and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

A. Paragraph 1. of SECTION VII - DEFINITIONS is replaced by the following:

1. **Actual cash value:** The replacement cost of **covered property** at the time of loss, less the value of *physical depreciation* as to the damaged **covered property**. *Physical depreciation* means a value as determined according to standard business practices.

B. Paragraph C. CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

C. CONCEALMENT, MISREPRESENTATION OR FRAUD

**We** do not provide coverage in any case of fraud by **you**, at any time, as it relates to this Policy. **We** also do not provide coverage if **you, your** representatives or any insured, at any time, intentionally conceals or misrepresents a material fact concerning:

1. This Policy;
2. The **covered property**;
3. **Your** interest in the **covered property**; or
4. A claim under this Policy.

C. Option 1b of paragraph G. COVERAGE TERRITORY of SECTION I – DECLARATIONS is replaced by the following:

< option 1b >

< Coverage under this Policy applies to **covered property** worldwide except **we** will not make payment under this Policy for loss or damage arising in:

Afghanistan, Albania, Algeria, Angola, Armenia, Aksai Chin and Trans- Karakoram Tract in People's Republic of China, Azerbaijan, Bangladesh, Belarus, Belize, Benin, Botswana, Burkina Faso, Burundi, Cambodia (Kampuchea), Cameroon, Cape Verde, Central African Republic, Chad, Chechen Republic of the Russian Federation, Comoros, Cote D'Ivoire, Cuba, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Fiji, Gabon, Gambia, Gaza Strip, West Bank and territories north of Latitude 32.80 N in Israel, Georgia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Iran, Iraq, Ivory Coast, Jammu and Kashmir in India, Kazakhstan, Kyrgyzstan (Kyrgyz Republic), Laos, Lebanon, Lesotho, Liberia, Libya, Macedonia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mayotte, Moldova, Mongolia, Montenegro, Montserrat, Mozambique, Myanmar (Burma), Namibia, Nepal, Niger, Nigeria, North Korea, Pakistan, Palestine, Papua New Guinea, Republic of the Congo, Reunion, Rwanda, Sao Tome' and Principe', Senegal, Serbia, Sierra Leone, Somalia, Sri Lanka, South Sudan, Sudan, Swaziland, Syria, Tajikistan, Tanzania, Tibet, Togo, Turkmenistan, Uganda, Uzbekistan, Western Sahara, Yemen, Zambia, Zimbabwe; or

Any nation with which United States companies are not permitted to do business, or which are or become subject to trade sanctions by the government of the United States. Whenever coverage provided by this Policy would be in violation of United States economic or trade sanctions, **we** will not be liable to make payments or provide defense under this Policy. In accordance with the United States Department of Treasury's Office of Foreign Assets Control (OFAC) regulations, or any applicable regulation promulgated by the U.S. Department of State, 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 will be immediately subject to OFAC. When an insurance Policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.>

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**MARYLAND CHANGES**

This endorsement applies only to **covered property** located in Maryland and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **H.** JURISDICTION of SECTION I – DECLARATIONS is replaced by the following:

**H.** JURISDICTION

Any disputes arising hereunder will be exclusively subject to a State or Federal jurisdiction within the United States of America.

**B.** Paragraph **C.** CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**C.** CONCEALMENT, MISREPRESENTATION OR FRAUD

**We** do not provide coverage in any case of fraud by **you**, at any time, as it relates to this Policy. **We** also do not provide coverage if **you, your** representatives or any insured, at any time, intentionally conceals or misrepresents a material fact concerning:

1. This Policy;
2. The **covered property**;
3. **Your** interest in the **covered property**; or
4. A claim under this Policy.

**C.** Paragraph **I.** SUIT AGAINST THE COMPANY of SECTION VI – LOSS CONDITIONS is replaced by the following:

**I.** SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within three (3) years of the date that the suit accrues.

**D.** The following is added to SECTION VI – LOSS CONDITIONS:

**J.** MARYLAND FRAUD WARNING

Pursuant to Maryland Insurance Article section §27-805, "Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**MASSACHUSETTS CHANGES**

This endorsement applies only to **covered property** located in Massachusetts and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

For the purpose of this Policy, fungus means any of a major group (fungi) of saprophytic and parasitic lower plants that lack chlorophyll and include but are not limited to molds, rusts, mildews, and any mycotoxins, spores, scents or byproducts produced or released by fungi.

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**MICHIGAN CHANGES**

This endorsement applies only to **covered property** located in Michigan and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **I.** SUIT AGAINST THE COMPANY of SECTION VI – LOSS CONDITIONS is replaced by the following:

**I.** SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within two (2) years next after the inception of the loss. The time for commencing an action against **us** is tolled from the time **you** notify **us** of the loss or damage until **we** formally deny liability for the claim.

**B.** The following is added to SECTION V – GENERAL POLICY CONDITIONS, **F.** LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS and SECTION VI – LOSS CONDITIONS, **G.** PAYMENT OF LOSS:

If a municipality has elected to apply the provisions of 1998 Michigan Public Act 217, and the insured loss is subject to the provisions of the Act, **we** will withhold a part of **our** payment for fire, explosion, malicious mischief, windstorm or hail, or riot or civil commotion loss or damage to **your** covered **real property** in that municipality. The withheld amount will be paid either to the municipality or to **you** and the mortgagee, if any, or with **your** consent, the licensed contractor hired by **you** to perform repair, replacement or removal services on the lost or damaged **real property** according to the provisions of Public Act 217. **We** will notify **you**, any mortgagee and the municipality of any loss subject to the provisions of Public Act 217.

If a municipality has elected to apply the provisions of MICH. COMP. LAWS § 500.3011, any further payment for claims for loss or damage to **your** covered **real property** or covered **personal property** located on **real property** caused by fire or explosion of \$2,000 or more will be withheld if **you** have failed to submit a required report to the fire or law enforcement authority designated by the municipality.

All other terms and conditions remain unchanged.

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

**MINNESOTA CHANGES**

This endorsement applies only to **covered property** located in Minnesota and modifies insurance provided under the following:

PREMIER PROPERTY PRODUCT™

**A.** The following is added to SECTION I – DECLARATIONS, **M. DEDUCTIBLES**, Deductibles General Provisions:

**8.** The PROPERTY DAMAGE deductible will not apply to **real property** in the event of a total loss.

**B.** Paragraph **C. CONCEALMENT, MISREPRESENTATION OR FRAUD** of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**C. CONCEALMENT, MISREPRESENTATION OR FRAUD**

**We** will not pay for any loss or damage if **you** have:

- 1.** Before a loss, willfully; or
- 2.** After a loss, willfully and with intent to defraud;

concealed or misrepresented any material fact or circumstances concerning this Policy, the **covered property**, or **your** interest in the **covered property**.

**C.** Paragraph **9.c.** of SECTION VI – LOSS CONDITIONS, **E. DUTIES AFTER A LOSS** is replaced by the following:

**9.** As often as may reasonably be required:

- c.** After **we** inform **you** of **your** right to counsel and that **your** answers may be used against **you** in later civil or criminal proceedings, permit **us** under oath to question **you** and any of **your** agents, employees, or representatives involved in the purchase of this insurance or the preparation of **your** claim, and verify **your** answers with a signed acknowledgement.

**D.** Paragraph **G. PAYMENT OF LOSS** of SECTION VI – LOSS CONDITIONS is replaced by the following:

**G. PAYMENT OF LOSS**

- 1.** **We** will pay the insured loss within five (5) business days after **we** receive and accept the signed, sworn Proof of Loss, if:
  - a.** **You** have complied with all the terms of this Policy;
  - b.** **We** have reached agreement with **you** on the amount of the loss, or
  - c.** An appraisal award is made as provided for in LOSS CONDITIONS **B. APPRAISAL**.



2. In the event of a total loss, the LIMIT OF LIABILITY for **real property** represents its value. This provision does not apply to any claim for total loss to any building which is insured as part of a blanket LIMIT OF LIABILITY applicable to two or more buildings. Any claim for total loss to a building insured on a blanket basis will be settled at replacement cost or at **actual cash value**, depending on the Policy provisions applicable to the building sustaining the total loss.

E. The following is added to SECTION VI – LOSS CONDITIONS, H. SUBROGATION:

3. **Our** rights do not apply against any person or organization insured under this or any other Policy issued by **us** with respect to the same loss.

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**MISSISSIPPI CHANGES**

This endorsement applies only to **covered property** located in Mississippi and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **I.** SUIT AGAINST THE COMPANY of SECTION VI – LOSS CONDITIONS is replaced by the following:

**I.** SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within three (3) years next after the inception of the loss.

All other terms and conditions remain unchanged.

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

**MISSOURI CHANGES**

This endorsement applies only to **covered property** located in Missouri and modifies insurance provided under the following:

PREMIER PROPERTY PRODUCT™

**A.** Paragraph **H.** JURISDICTION of SECTION I – DECLARATIONS is replaced by the following:

**H.** JURISDICTION

Any disputes arising hereunder will be exclusively subject to a State or Federal jurisdiction within the United States of America.

**B.** The following is added to SECTION II – PROPERTY DAMAGE, **C.2.** EXCLUSIONS:

**k.** Any act committed by **you** or at **your** direction, by others, which is intended to cause loss or damage. This exclusion will not apply to deny coverage to an innocent additional named insured who did not cooperate in or contribute to the creation of the loss, provided it is a **covered loss**, and the loss arose out of domestic violence. Such coverage will be provided only if the innocent additional named insured files a police report and completes a sworn affidavit indicating both:

(1) the cause of the loss; and

(2) a pledge to cooperate in any criminal prosecution of the person committing the act causing the loss.

**Our** payment for a **covered loss** to the innocent additional named insured is limited to that insured's insurable interest in the **covered property** as reduced by any payment to a mortgagee or other secured interest. However, **we** will not be required to make any subsequent payment for any loss for which the innocent additional named insured has received payment. In no event will **we** pay more than the applicable LIMIT OF LIABILITY.

**C.** Paragraph **b. (3)** of the LAND AND WATER CLEANUP, REMOVAL AND DISPOSAL provision of SECTION II – PROPERTY DAMAGE, **D.** PROPERTY DAMAGE COVERAGES AND LIMITATIONS is deleted and replaced by the following:

(3) If **you** fail to give **us** written notice within one hundred eighty (180) days after the loss, and such failure operates to prejudice **our** rights as per Missouri regulation 20CSR100-1.020.

**D.** Paragraphs **1., 2.** and **3.** of SECTION VI – LOSS CONDITIONS, **B.** APPRAISAL are replaced by the following:

**1.** If **you** and **we** fail to agree as to the **actual cash value** or the amount of loss, either party may make a written demand that the amount be submitted for appraisal. In this event, each party will select a competent and disinterested appraiser and notify the other of the identity of its appraiser within twenty (20) days of the written demand for appraisal.

**2.** The two (2) appraisers will promptly select a competent and disinterested umpire. If the appraisers are unable to agree on an umpire within fifteen (15) days, **you** or **we** may petition the judge of a court of record in the state and county (or city if the city is not within a county) where the **covered property** is located to select an umpire.

**3.** The appraisers will then appraise the loss, stating separately **actual cash value** and loss to each item. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the

amount of **our** payment for the loss. If the appraisers fail to agree, they will submit their differences to the umpire. The umpire will make the award within thirty (30) days after the umpire receives the appraiser's submissions of their differences. Written agreement signed by any two of these three will set the amount of **actual cash value** and loss.

E. Paragraph D. COMPANY OPTION of SECTION VI – LOSS CONDITIONS is replaced by the following:

D. COMPANY OPTION

1. At **our** option, **we** will repair, rebuild or replace damaged **covered property** with other property of like kind and quality within a reasonable period of time.
2. If **we** elect to repair or replace the **covered property**;
  - a. **We** will notify **you** of that decision within fifteen (15) working days of **our** receipt of **your** proof of loss, that **we**:
    - (1) Accept **your** claim;
    - (2) Deny **your** claim; or
    - (3) Need more time to determine whether **your** claim should be accepted or denied.

If **we** deny **your** claim, such notice will be in writing, and will state any policy provision, condition or exclusion used as a basis for the denial.

If **we** need more time to determine whether **your** claim should be accepted or denied, the written notice will state the reason why more time is required.

- b. If **we** have not completed **our** investigation, **we** will notify **you** again in writing, within forty-five (45) days after the date of the initial notice as provided in Item **2.a.(3)** above, and thereafter every forty-five (45) days. The written notice will state why more time is needed to investigate **your** claim and when **you** may expect **us** to reach a decision on **your** claim.

3. **We** will, at **our** option, take title to all or any part of the damaged or destroyed property at the agreed or appraised value.

F. The first sentence of Paragraph **10.** of SECTION VI – LOSS CONDITIONS, **E. DUTIES AFTER A LOSS** is replaced by the following:

- 10.** Submit to **us**, within ninety (90) days of **our** request, unless **we** extend the time in writing, a signed, sworn Proof of Loss that states to the best of **your** knowledge and belief:

G. The following are added to SECTION VI – LOSS CONDITIONS, **H. SUBROGATION**:

3. If **we** pay an additional named insured for loss arising out of an act of domestic violence by another insured, the rights of the additional named insured, who did not cooperate in or contribute to the creation of the loss, to recover damages from the perpetrator of domestic violence are transferred to **us** to the extent of **our** payment. Following the loss, the additional named insured who did not cooperate in or contribute to the loss may not waive such rights to recover against the perpetrator of domestic violence.
4. In the event **you** die **your** rights and duties will be transferred as follows:
  - a. For an individual who is a named insured, they will be transferred to **your** legal representative, but only while acting within the scope of those duties.

If **you** do not have a legal representative appointed, anyone having proper temporary custody of **your** property will also have **your** rights and duties associated with that property.

b. If **you** have designated an individual as a grantee beneficiary in a beneficiary deed which has been properly recorded before **your** death for specific **real property**, that individual, at the time of **your** death, will assume **your** rights and duties related to the **real property** for the shortest of the following time periods:

- (1) Thirty (30) consecutive days from the date of **your** death;
- (2) The date that alternative coverage is obtained for the **real property**; or
- (3) The end of the Policy period.

H. Paragraph I. SUIT AGAINST THE COMPANY of SECTION VI – LOSS CONDITIONS is replaced by the following:

I. SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within ten (10) years next after the inception of the loss.

I. The following is added to SECTION VI – LOSS CONDITIONS:

J. MISSOURI PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION COVERAGE LIMITATIONS

1. Subject to the provisions of the Missouri Property and Casualty Insurance Guaranty Association Act (in this endorsement referred to as the Act), if **we** are a member of the Missouri Property and Casualty Insurance Guaranty Association (in this endorsement referred to as the Association), the Association will pay claims covered under the Act if **we** become insolvent.

2. The Act contains various exclusions, conditions and limitations that govern **your** eligibility to collect payment from the Association and the amount of any payment. The following limitations apply subject to all other provisions of the Act:

a. If **we** become insolvent, claims covered by the Act do not include a claim by or against **you** if **you** have a net worth of more than \$25 million on the later of the end of **your** most recent fiscal year or the December thirty-first of the year next preceding the date **we** become insolvent; provided that **your** net worth on such date is deemed to include **your** aggregate net worth and all of **your** affiliates as calculated on a consolidated basis.

b. The Association's obligation for each covered claim is only that amount of each claim which is less than \$300,000.

However, the Association will not:

- a. Pay more than the LIMIT OF LIABILITY of this Policy; or,
- b. Return to **you** any unearned premium in excess of \$25,000.

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**MONTANA CHANGES**

This endorsement applies only to **covered property** located in Montana and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **C.** CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**C.** CONCEALMENT, MISREPRESENTATION OR FRAUD

**We** will not pay for any loss or damage if **you** have:

1. Before a loss, knowingly or willfully; or
2. After a loss, knowingly or willfully and with intent to defraud;

concealed or misrepresented any material fact or circumstance relating to coverage of the loss under this Policy and in or with reference to the application for this Policy.

**B.** Paragraph **D.** CONFORMITY TO STATUTES of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**D.** CONFORMITY TO STATUTES

The provisions of this Policy conform to the minimum requirements of Montana law. Any provisions required by Montana law to be included in policies issued by **us** shall be deemed to have been included in this Policy.

If the provisions of this Policy conflict with the laws of any jurisdictions in which this Policy applies, and if certain provisions are required by law to be stated in this Policy, this Policy shall be read so as to eliminate such conflict or deemed to include such provisions for covered **locations** within such jurisdictions.

All other terms and conditions remain unchanged.

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

**NEBRASKA CHANGES**

This endorsement applies only to **covered property** located in Nebraska and modifies insurance provided under the following:

PREMIER PROPERTY PRODUCT™

**A.** Paragraph **C.** CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**C.** MISREPRESENTATION OR BREACH OF WARRANTY OR CONDITION

1. No oral or written misrepresentation or warranty made in the negotiation of this policy by **you** or on **your** behalf will void this Policy unless:
  - a. It is made with the intent to deceive;
  - b. **We** rely on it to **our** injury.
2. The breach of warranty or condition will void the Policy if such breach exists at the time of the loss and contributes to the loss.

**B.** The following is added to SECTION V – GENERAL POLICY CONDITIONS, **R.** VALUATION:

4. If **real property** has a **covered loss** and is wholly destroyed by fire, tornado, windstorm, lightning or explosion, and there is no criminal fault on the part of **you** or **your** assignee, the LIMIT OF LIABILITY on such **real property** shall be taken conclusively to be the true value of the **covered property** and the true amount of loss and measure of damages.

This VALUATION provision does not apply to any claim for total loss to any building which is insured as part of a blanket LIMIT OF LIABILITY applicable to two (2) or more buildings. Any claim for total loss to a building insured on a blanket basis will be settled at replacement cost or at **actual cash value**, depending on the Policy provisions applicable to the building sustaining the total loss.

**C.** Paragraph **1.** of SECTION VI – LOSS CONDITIONS, **B.** APPRAISAL is replaced by the following:

1. If **you** fail to agree with **us** on the amount of a loss, either party may require that the amount be submitted for appraisal. Requests for appraisal will be made in writing. Both parties must agree to the appraisal. Each party will then choose a competent independent appraiser. Each party will notify the other of the identity of its appraiser within sixty (60) days of the written request for appraisal.

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**NEVADA CHANGES**

This endorsement applies only to **covered property** located in Nevada and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **C.** CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**C.** CONCEALMENT, MISREPRESENTATION OR FRAUD

**We** will not pay for any loss or damage if **you** have willfully and with intent to defraud, concealed or misrepresented any material fact or circumstances concerning:

1. This Policy;
2. The **covered property**;
3. **Your** interest in the **covered property**; or
4. A claim under this Policy.

All other terms and conditions remain unchanged.



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

**NEW HAMPSHIRE CHANGES**

This endorsement applies only to **covered property** located in New Hampshire and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **C.** CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**C.** CONCEALMENT, MISREPRESENTATION OR FRAUD

**We** do not provide coverage under this Policy to **you, your** representatives, or any insured who, at any time:

1. Intentionally concealed or misrepresented a material fact;
  2. Engaged in fraudulent conduct; or
  3. Made a false statement;
- relating to this insurance.

**C.** Paragraph **E.** INSPECTION of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

**E.** INSPECTIONS AND SURVEYS

1. **We** have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give **you** reports on the conditions **we** find; and
  - c. Recommend changes.
2. **We** are not obligated to make any inspections, surveys, reports or recommendations and any such actions **we** do undertake relate only to insurability and the premiums to be charged. **We** do not make safety inspections. **We** do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And **we** do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Items 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. Item 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.

**B.** The following are added to SECTION V – GENERAL POLICY CONDITIONS, **R. VALUATION**:

- 4.** If **real property** at a covered **location** is totally destroyed by fire or lightning, and there is no fraud on the part of **you** or **your** assignee, the LIMIT OF LIABILITY on such **real property** shall be taken to be the true value of the **covered property** and the true amount of the loss.

This provision does not apply if the **real property** is part of a blanket LIMIT OF LIABILITY covering two or more buildings or two or more coverages.

- 5.** If **real property** at a covered **location** is only partially destroyed by fire or lightning, the amount payable to **you** is the actual loss sustained, but no more than the applicable LIMIT OF LIABILITY.

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**NEW JERSEY CHANGES**

This endorsement applies only to **covered property** located in New Jersey and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **k.** of SECTION II – PROPERTY DAMAGE, **C.2. EXCLUSIONS** is added:

- k.** Any act committed by **you** or at **your** direction, by others, which is intended to cause loss or damage. This exclusion will not apply to deny coverage to an innocent additional named insured who did not cooperate in or contribute to the creation of the loss, provided it is a **covered loss**, if the loss arose out of domestic violence.

**Our** payment for a **covered loss** to the innocent additional named insured is limited to that insured's insurable interest in the **covered property** as reduced by any payment to a mortgagee or other secured interest. In no event will **we** pay more than the applicable LIMIT OF LIABILITY.

**B.** Paragraph **3.** of SECTION VI – LOSS CONDITIONS, **H. SUBROGATION** is added:

- 3.** If **we** pay an additional named insured for loss arising out of an act of domestic violence by another insured, the rights of the additional named insured, who did not cooperate in or contribute to the creation of the loss, to recover damages from the perpetrator of domestic violence are transferred to **us** to the extent of **our** payment. Following the loss, the additional named insured who did not cooperate in or contribute to the loss may not waive such rights to recover against the perpetrator of domestic violence.

All other terms and conditions remain unchanged.

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

**NEW YORK CHANGES**

This endorsement applies only to **covered property** located in New York and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

A. Paragraph C. CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V - GENERAL POLICY CONDITIONS is replaced by the following:

C. CONCEALMENT, MISREPRESENTATION OR FRAUD

**We** will not pay for any loss or damage if **you** or anyone acting on **your** behalf have willfully and with intent to defraud, concealed or misrepresented any material fact or circumstances concerning:

1. This Policy;
2. The **covered property**;
3. **Your** interest in the **covered property**; or
4. A claim under this Policy.

B. Paragraph B. APPRAISAL of SECTION VI – LOSS CONDITIONS is replaced by the following:

B. APPRAISAL

1. If either **you** or **we** fail to agree on the amount or extent of loss or damage to **covered property**, or the value of the damaged **covered property**, either party may make a written demand that the disputed amount be submitted for appraisal.

If after a written demand has been made, either **you** or **we** fail to proceed with the appraisal, either party may then petition a judge of a court of record in the state where the **covered loss** happened to order the party that failed to proceed with the appraisal to comply with the demand.

Upon resolution of the demand, each party will then choose a competent and disinterested appraiser. Each party will notify the other of the identity of its appraiser within twenty (20) days of the written demand for appraisal.

2. The two (2) appraisers will choose a competent and disinterested umpire. If the appraisers are unable to agree on an umpire within fifteen (15) days, either party may petition a judge of a court of record in the state where the **covered loss** happened to select an umpire.
3. The appraisers will then determine the amount and the extent of the loss or damage. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the amount of **our** payment for the loss or damage. If the appraisers fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two (2) of these three (3) will determine the amount of loss or damage.

4. Each appraiser will be paid by the party that selects him or her. Other expenses of the appraisal and compensation of the umpire will be paid equally by **you** and **us**.
5. Appraisal described in 1. through 4. above shall not be used to determine whether the Policy actually provides coverage for any portion of the claimed loss or damage.

C. Paragraph 1. of SECTION VI – LOSS CONDITIONS, E. DUTIES AFTER A LOSS, is replaced by the following:

1. Give **us** immediate written notice of the loss. Written notice, which adequately identifies **you**, given to **our** appointed producers in New York State:
  - a. By a third party on **your** behalf; or
  - b. By or on behalf of any claimant,will also be accepted as notice to **us**.

D. The following is added at the end of paragraph G. PAYMENT OF LOSS of SECTION VI – LOSS CONDITIONS:

However in the event of a payment for loss or damage to **your real property** caused by or resulting from fire, **we** will:

1. First, deduct from **your** payment any amounts claimed by a tax district as the result of a certificate of lien filed by them in accordance with the Insurance Law; and
2. Then, directly pay that amount to the tax district.

Once this amount is paid to the tax district, **we** are no longer obligated to pay that portion of **your** payment to **you**. If **our** payment to the tax district is made within thirty (30) days of **our** receipt of the certificate of lien, the certificate of lien will be proof that payment of the claim was valid and proper.

E. The following are added to SECTION VI – LOSS CONDITIONS:

#### J. ESTIMATION OF CLAIMS

In the event an estimate of the damage to **your real property** which specifies all deductions made in the estimate of the **real property** is prepared by **us** or by others for **our** use, **we** will, at **your** request, supply **you** or **your** representative with a written copy of the estimate by the latter of:

1. Thirty (30) days from **your** request; or
2. The actual preparation date of the estimate.

#### K. Examination of **Your** Books and Records

1. In the event that **your** Policy contains an auditable coverage for which an advance or deposit premium was paid based on estimated exposure, **we** will conduct an audit to determine the final premium due or to be refunded within one hundred eighty (180) days of:
  - a. The expiration date of the Policy; or
  - b. The anniversary date, if this is a continuous Policy or a Policy written for a term longer than one (1) year.

2. **We** may waive **our** right to audit for the following reasons:
  - a. After a cursory review, **we** do not expect the premium adjustment to exceed \$1,500.
  - b. At time of audit, **we** have agreed with **you** not to make a premium adjustment due to minimal changes in values from those originally reported.
3. **We** do retain the right to examine and audit **your** books and records, as they relate to this Policy, at any time during the Policy period and up to three (3) years afterward.

All other terms and conditions remain unchanged.

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

**NORTH CAROLINA CHANGES**

This endorsement applies only to **covered property** located in North Carolina and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **10.** of SECTION VI – LOSS CONDITIONS, **E.** DUTIES AFTER A LOSS is replaced by the following:

**10.** Submit to **us**, within ninety (90) days from the date of loss, unless **we** extend the time in writing, a signed, sworn Proof of Loss that states to the best of **your** knowledge and belief:

- a.** The time and cause of the loss;
- b.** **Your** interest and the interest of all others in the property involved;
- c.** Any other policies of insurance that may provide coverage for the loss;
- d.** Any changes in title or occupancy of the property during the Policy period and;
- e.** The amount of **your** claimed loss.

**You** shall also submit with the Proof of Loss:

- (1)** A complete inventory of the lost, damaged and destroyed property, showing in detail the quantity, and amount of loss claimed as specified in the valuation provision of the Policy;
- (2)** An accurate record(s) of all repair costs and all bills, receipts and related documents that establish the amount of the loss;
- (3)** Specifications for any damaged building; and
- (4)** Detailed estimates and invoices for the repair of any damage.

However, 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:

- f.** If **your 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 shall be extended by forty-five (45) days or by the number of days the disaster declaration or proclamation remains in effect, whichever number is greater.
- g.** Except as otherwise provided in **a.** above, the following applies if **you** or **we** reside in or are located in the geographic area designated in the disaster declaration or proclamation:

If a time limitation is imposed on **you** or **us** for performance of a duty or any act (including transmittal of information), and such performance would be required during the time period covered by the declaration or proclamation, **your** performance and **our** performance is subject to a deferral period of thirty (30) days. The Commissioner of Insurance may extend such deferral period.

**B. Paragraph I. SUIT AGAINST THE COMPANY of SECTION VI – LOSS CONDITIONS is replaced by the following:**

**I. SUIT AGAINST THE COMPANY**

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within three (3) years next after the inception of the loss.

**C. APPENDIX E - NAMED STORM TIERS FOR USA INCLUDING ITS COMMONWEALTHS AND TERRITORIES – SOUTHERN TIER TWO is replaced by the following:**

**SOUTHERN TIER TWO: SOUTH CAROLINA TO TEXAS**

<b>STATE</b>	<b>COUNTIES / PARISHES / INDEPENDENT CITIES</b>
Alabama	Clarke, Coffee, Conecuh, Covington, Dale, Escambia, Geneva, Houston, Monroe, Washington
Louisiana	Allen, Avoyelles, Beauregard, Evangeline, St. Helena, St. Landry, West Feliciana
Mississippi	Forrest, Greene, Jones, Lamar, Marion, Perry, Pike, Walthall, Wayne
South Carolina	Bamberg, Calhoun, Clarendon, Dillon, Florence, Hampton, Marion, Orangeburg
Texas	Austin, Brazos, Colorado, De Witt, Duval, Fayette, Gonzales, Grimes, Jim Hogg, Karnes, Lavaca, Live Oak, McMullen, Montgomery, Newton, Polk, San Jacinto, Starr, Tyler, Walker, Waller, Washington

All other terms and conditions remain unchanged.



Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**OHIO CHANGES**

This endorsement applies only to **covered property** located in Ohio and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

- A.** The following are added to SECTION V – GENERAL POLICY CONDITIONS, **R. VALUATION** and apply only to **real property** subject to valuation based on **actual cash value**:
- 4.** If **real property** at a covered **location** is totally destroyed by fire or lightning, and there is no fraud on the part of **you** or **your** assignee and there is no change increasing the risk without **our** consent, the LIMIT OF LIABILITY on such **real property** shall be taken to be the true value of the **covered property** and the true amount of the loss.
  - 5.** If **real property** at a covered **location** is only partially destroyed by fire or lightning, the amount payable to **you** is the actual loss sustained, but no more than the applicable LIMIT OF LIABILITY.

All other terms and conditions remain unchanged.

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

**OKLAHOMA CHANGES**

This endorsement applies only to **covered property** located in Oklahoma and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **H.** JURISDICTION of SECTION I – DECLARATIONS is replaced by the following:

**H.** JURISDICTION

Any disputes arising hereunder will be exclusively subject to a State or Federal jurisdiction within the United States of America.

**B.** Paragraph **C.** CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V - GENERAL POLICY CONDITIONS is replaced by the following:

**C.** CONCEALMENT, MISREPRESENTATION OR FRAUD

**We** do not provide coverage in any case of fraud by **you**, at any time, as it relates to this Policy. **We** also do not provide coverage if **you**, **your** representatives or any insured, at any time, intentionally conceals or misrepresents a material fact concerning:

1. This Policy;
2. The **covered property**;
3. **Your** interest in the **covered property**; or
4. A claim under this Policy.

**C.** Paragraphs **1.** and **2.** of SECTION VI – LOSS CONDITIONS, **B.** APPRAISAL are replaced by the following:

1. If **you** fail to agree with **us** on the amount of a loss, either party may require that the amount be submitted for appraisal. Requests for appraisal will be made in writing. Each party will then choose a competent independent appraiser. Each party will notify the other of the identity of its appraiser within twenty (20) days of the written request for appraisal.
2. The two (2) appraisers will choose a competent, impartial umpire. If the appraisers are unable to agree on an umpire within fifteen (15) days, **you** or **we** may petition a judge of a district court in the county where the **covered property** is located to select an umpire.

All other terms and conditions remain unchanged.

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

**OREGON CHANGES**

This endorsement applies only to **covered property** located in Oregon and modifies insurance provided under the following:

**PREMIER PROPERTY PROTECTOR™**

**A. Paragraph 10. of SECTION VI – LOSS CONDITIONS, E. DUTIES AFTER A LOSS is replaced by the following:**

**10.** Within ninety (90) days after **you** receive the necessary forms from **us**, unless **we** extend the time in writing, **you** must send **us** a signed, sworn Proof of Loss that states to the best of **your** knowledge and belief:

- a.** The time and cause of the loss;
- b.** **Your** interest and the interest of all others in the property involved;
- c.** Any other policies of insurance that may provide coverage for the loss;
- d.** Any changes in title or occupancy of the property during the Policy period and;
- e.** The amount of **your** claimed loss.

**You** shall also submit with the Proof of Loss:

- (1)** A complete inventory of the lost, damaged and destroyed property, showing in detail the quantity, and amount of loss claimed as specified in the valuation provision of the Policy;
- (2)** An accurate record(s) of all repair costs and all bills, receipts and related documents that establish the amount of the loss;
- (3)** Specifications for any damaged building; and
- (4)** Detailed estimates and invoices for the repair of any damage.

**B. Paragraph B. APPRAISAL of SECTION VI – LOSS CONDITIONS is replaced by the following:**

**B. APPRAISAL**

- 1.** If **we** and **you** disagree on the value of the **covered property** or the amount of a loss, both parties may agree to an appraisal of the loss and to be bound by the results of that appraisal. If both parties so agree, then each party will select a competent and impartial appraiser.
- 2.** 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 where the **covered loss** occurred.
- 3.** The appraisers will state separately the value of the **covered 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.
- 4.** Each party will pay its chosen appraiser and bear the other expenses of the appraisal and umpire equally.

All other terms and conditions remain unchanged.

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

**PENNSYLVANIA CHANGES**

This endorsement applies only to **covered property** located in Pennsylvania and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **D.** COMPANY OPTION of SECTION VI – LOSS CONDITIONS is replaced by the following:

**D.** COMPANY OPTION

1. At **our** option, **we** will repair, rebuild or replace damaged **covered property** with other property of like kind and quality within a reasonable period of time.
2. If **we** elect to repair or replace the **covered property**:
  - a. Except as provided in **c.** below, **we** will notify **you** of that decision within fifteen (15) working days of **our** receipt of **your** proof of loss, that **we**:
    - (1) Accept **your** claim;
    - (2) Deny **your** claim; or
    - (3) Need more time to determine whether **your** claim should be accepted or denied.If **we** deny **your** claim, such notice will be in writing, and will state any policy provision, condition or exclusion used as a basis for the denial.  
  
If **we** need more time to determine whether **your** claim should be accepted or denied, the written notice will state the reason why more time is required.
  - b. If **we** have not completed **our** investigation, **we** will notify **you** again in writing, within thirty (30) days after the date of the initial notice as provided in **2.a.(3)** above, and thereafter every forty-five (45) days. The written notice will state why more time is needed to investigate **your** claim and when **you** may expect **us** to reach a decision on **your** claim.
  - c. The notice procedures in **2.a.** and **2.b.** above do not apply if **we** have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or contributed to the loss by arson or other illegal activity. Under such circumstances, **we** will notify **you** of the disposition of **your** claim within a period of time reasonable to allow full investigation of the claim, after **we** receive a properly executed proof of loss.
3. **We** will, at **our** option, take title to all or any part of the damaged or destroyed property at the agreed or appraised value.

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**SOUTH CAROLINA CHANGES**

This endorsement applies only to **covered property** located in South Carolina and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** The following is added to SECTION II – PROPERTY DAMAGE, **C.1. EXCLUSIONS**:

**1.** **We** do not cover:

- i.** Loss or damage to paint or waterproofing material applied to the exterior of **real property** caused by or resulting from a *NAMED STORM*, unless the **real property** to which such loss or damage occurs also sustains other direct physical loss or damage caused by or resulting from a *NAMED STORM* in the course of the same **occurrence**.

When loss or damage to exterior paint or waterproofing material is excluded, **we** will not include the value of paint or waterproofing material to determine the amount of the *NAMED STORM* deductible.

**B.** Paragraph I. SUIT AGAINST THE COMPANY of SECTION VI – LOSS CONDITIONS is replaced by the following:

**I.** SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within three (3) years next after the inception of the loss.

All other terms and conditions remain unchanged.

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

**TENNESSEE CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **5.** of SECTION V - GENERAL POLICY CONDITIONS, **B.** CANCELLATION is replaced by the following:

**5.** If this Policy is cancelled, **we** will send **you** any premium refund due. The refund will be pro rata if **we** cancel or the Policy is cancelled at the request of a premium finance company that has financed this Policy under a premium finance agreement. If **you** cancel, the refund may be less than pro rata. The cancellation will be effective even if **we** have not made or offered a refund.

**B.** The following is added SECTION V - GENERAL POLICY CONDITIONS, **B.** CANCELLATION:

**7.** Cancellation Of Policies In Effect For Sixty (60) Days Or More

If this Policy has been in effect for sixty (60) days or more, or if this Policy is a renewal of a Policy **we** issued, **we** may cancel this Policy only for one (1) or more of the following reasons:

- a.** Nonpayment of premium, including any additional premium, calculated in accordance with **our** current rating manual, justified by a physical change in the **covered property** or a change in its occupancy or use;
- b.** **Your** conviction of a crime increasing any hazard insured against;
- c.** Discovery of fraud or material misrepresentation on the part of either of the following:
  - (1)** **You** or **your** representative in obtaining this insurance; or
  - (2)** **You** in pursuing a claim under this Policy;
- d.** Failure to comply with written loss control recommendations;
- e.** Material change in the risk which increases the risk of loss after **we** issued or renewed insurance coverage;
- f.** Determination by the insurance commissioner that the continuation of the Policy would jeopardize **our** solvency or would place **us** in violation of the insurance laws of Tennessee or any other state;
- g.** **Your** violation or breach of any Policy terms or conditions; or
- h.** Other reasons that are approved by the insurance commissioner.

Notice of cancellation will state the reason for cancellation.

**8.** If this Policy is cancelled and a premium finance company is financing the payment of the Policy premium, **we** will return, within thirty (30) days after the effective date of the cancellation, whatever gross unearned premiums are due under the Policy directly to the premium finance company for **your** account.

- C. The NONRENEWAL provision of SECTION V - GENERAL POLICY CONDITIONS is replaced by the following:

NONRENEWAL

1. If **we** decide not to renew this Policy, **we** will mail or deliver written notice of nonrenewal to **you** and **your** agent at least sixty (60) days before the expiration date unless:
  - a. **We** have offered to issue a renewal Policy; or
  - b. **You** have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
2. Any notice of nonrenewal will be mailed or delivered to **your** and **your** agent's addresses 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.**

**TEXAS CHANGES**

This endorsement applies only to **covered property** located in Texas and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

For purposes of this endorsement, *business day* means a day other than Saturday, Sunday or holiday recognized by the state of Texas.

A. Paragraph H. JURISDICTION of SECTION I – DECLARATIONS is replaced by the following:

H. JURISDICTION

Any disputes arising hereunder will be exclusively subject to a State or Federal jurisdiction within the United States of America.

B. Paragraph 9. DEFENSE FOR PERSONAL PROPERTY OF OTHERS of SECTION II – PROPERTY DAMAGE, D. PROPERTY DAMAGE COVERAGES AND LIMITATIONS is replaced by the following:

9. DEFENSE FOR PERSONAL PROPERTY OF OTHERS

- a. **We** cover the cost to defend that part of any suit against **you** alleging direct physical loss or damage of the type insured by this Policy to personal property of others of the type insured by this Policy, in **your** custody, and while at a covered **location**. **We** may without prejudice undertake any investigation, negotiation or settlement of any such claim or suit as **we** deem appropriate.
- b. **We** do not cover the cost to defend any suit against **you** when **you** are acting as a warehouseman, bailee for hire, or carrier for hire.
- c. **We** will notify **you** in writing of any initial offer to settle a claim brought against **you** as described in **a.** above. **We** will give **you** the notice within ten (10) days after the date the offer is made.
- d. **We** will notify **you** in writing of any settlement of a claim brought against **you** as described in **a.** above. **We** will give **you** the notice within thirty (30) days after the settlement.

C. Paragraph C. CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V – GENERAL POLICY CONDITIONS is replaced by the following:

C. CONCEALMENT, MISREPRESENTATION OR FRAUD

In accordance with Texas §705.003 and §705.004, this entire Policy is void, if with the actual intent to deceive

1. **You**;
2. **Your** representatives; or
3. Any insured;



commit fraud or conceal or misrepresent a fact or circumstance concerning:

- a. This Policy;
- b. The **covered property**;
- c. **Your** interest in the **covered property**; or
- d. A claim under this Policy.

D. Paragraphs **3.** and **10.** of SECTION VI – LOSS CONDITIONS, **E. DUTIES AFTER A LOSS** are replaced by the following:

3. As soon as possible, give **us** a description of the property involved and how, when and where the loss happened. However, with respect to loss or damage in the State of Texas caused by wind or hail in the catastrophe area as defined by the Texas Insurance Code, any claim must be filed with **us** not later than one (1) 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.
10. Submit to **us**, within ninety-one (91) days from the date of loss, unless **we** extend the time in writing, a signed, sworn Proof of Loss that states to the best of **your** knowledge and belief:
  - a. The time and cause of the loss;
  - b. **Your** interest and the interest of all others in the property involved;
  - c. Any other policies of insurance that may provide coverage for the loss;
  - d. Any changes in title or occupancy of the property during the Policy period and;
  - e. The amount of **your** claimed loss.

**You** shall also submit with the Proof of Loss:

- (1) A complete inventory of the lost, damaged and destroyed property, showing in detail the quantity, and amount of loss claimed as specified in the valuation provision of the Policy;
- (2) An accurate record(s) of all repair costs and all bills, receipts and related documents that establish the amount of the loss;
- (3) Specifications for any damaged building; and
- (4) Detailed estimates and invoices for the repair of any damage.

E. Paragraph **G. PAYMENT OF LOSS** of SECTION VI – LOSS CONDITIONS is replaced by the following:

**G. PAYMENT OF LOSS**

1. Within fifteen (15) days after **we** receive **your** written notice of claim, **we** must:
  - a. Acknowledge receipt of the claim. If **our** acknowledgement of the claim is not in writing, **we** will keep a record of the date, method and content of **our** acknowledgement;
  - b. Begin any investigations of the claim;

- c. Specify the information **you** must provide in accordance with paragraph SECTION VI – LOSS CONDITIONS, **E. DUTIES AFTER A LOSS**.

**We** may request more information, if during the investigation of the claim such additional information is necessary.

2. After **we** receive the information **we** request, **we** must notify **you** in writing whether **your** claim will be paid or has been denied or whether more information is needed:
  - a. Within fifteen (15) *business days*; or
  - b. Within thirty (30) days if **we** have reason to believe the loss resulted from arson.
3. If **we** do not approve payment of **your** claim or need more time for processing **your** claim, **we** must:
  - a. Give the reasons for denying **your** claim; or,
  - b. Give the reasons **we** require more time to process **your** claim. But, **we** must either approve or deny **your** claim within forty-five (45) days after requesting more time.
4. If **we** notify **you** that **we** will pay **your** claim, or part of **your** claim, **we** must pay within five (5) *business days* after **we** notify **you**.
5. If payment of **your** claim or part of **your** claim requires the performance of an act by **you**, **we** must pay within five (5) *business days* after the date **you** perform the act.
6. 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 paragraphs **G.1.** through **G.5.** above are extended for an additional fifteen (15) days.

*Catastrophe or a major natural disaster* means a weather related event which is:

- a. Declared a disaster under the Texas Disaster Act of 1975; or
- b. Determined to be a catastrophe by the Texas Department of Insurance.

- F. Paragraph **I.** SUIT AGAINST THE COMPANY of SECTION VI – LOSS CONDITIONS is replaced by the following:

- I. SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within two (2) years, one (1) day next after the inception of the loss.

With respect to loss or damage in the State of Texas caused by wind or hail in the catastrophe area as defined by the Texas Insurance Code, no one may bring a legal action against **us** under this Policy unless:

1. There has been full compliance with all the terms of this Policy; and
2. The action is brought within the earlier of the following:
  - a. Two (2) years and one (1) day from the date **we** accept or reject the claim; or
  - b. Three (3) years and one (1) day from the date of the loss or damage that is the subject of the claim.

**G.** The following is added to SECTION VI – LOSS CONDITIONS:

**J. TEXAS INSURANCE CODE SECTION 862.053. FIRE INSURANCE: TOTAL LOSS OF REAL PROPERTY**

A fire insurance policy, in case of a 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 the policy. This provision does not apply to **personal property**.

All other terms and conditions remain unchanged.

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

**UTAH CHANGES**

This endorsement applies only to **covered property** located in Utah and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **10.** of SECTION VI – LOSS CONDITIONS, **E.** DUTIES AFTER A LOSS is replaced by the following:

**10.** Submit to **us**, within ninety (90) days from the date of loss, a signed, sworn statement of loss. Failure to give the statement of loss within ninety (90) days of loss does not invalidate **your** claim, provided **you** submit the statement of loss as soon as reasonably possible, and **you** show that it was not reasonably possible to give the statement of loss within ninety (90) days.

The statement of loss should show, to the best of **your** knowledge and belief:

- a.** The time and cause of the loss;
- b.** **Your** interest and the interest of all others in the property involved;
- c.** Any other policies of insurance that may provide coverage for the loss;
- d.** Any changes in title or occupancy of the property during the Policy period and;
- e.** The amount of **your** claimed loss.

**You** shall also submit with the Proof of Loss:

- (1)** A complete inventory of the lost, damaged and destroyed property, showing in detail the quantity, and amount of loss claimed as specified in the valuation provision of the Policy;
- (2)** An accurate record(s) of all repair costs and all bills, receipts and related documents that establish the amount of the loss;
- (3)** Specifications for any damaged building; and
- (4)** Detailed estimates and invoices for the repair of any damage.

**B.** Paragraph I. SUIT AGAINST THE COMPANY of SECTION VI – LOSS CONDITIONS is replaced by the following:

**I.** SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within three (3) years next after the inception of the loss.

All other terms and conditions remain unchanged.

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

**VIRGINIA CHANGES**

This endorsement applies only to **covered property** located in Virginia and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

A. Paragraph H. JURISDICTION of SECTION I – DECLARATIONS is replaced by the following:

H. JURISDICTION

Any disputes arising hereunder will be exclusively subject to a State or Federal jurisdiction within the United States of America.

B. Paragraph (1) following item number (6) of 2.a. Terrorism of C. EXCLUSIONS is replaced with the following:

(1) If **terrorism** results in fire, in which case **we** cover the direct physical loss or damage caused by the fire. This exception is subject to all applicable Policy provisions including the LIMIT OF LIABILITY on the affected property. Such coverage for ensuing loss applies only to direct loss or damage by fire to **covered property**. This coverage does not apply to insurance provided under any TIME ELEMENT coverage, or to fire legal liability coverage; or

C. The LAND AND WATER CLEANUP, REMOVAL AND DISPOSAL provision of SECTION II – PROPERTY DAMAGE, D. PROPERTY DAMAGE COVERAGES AND LIMITATIONS is replaced by the following:

LAND AND WATER CLEANUP, REMOVAL AND DISPOSAL

a. For uninsured property at a covered **location** consisting of land, water, or any other substance in or on land or water at a covered **location**, **we** cover **your** reasonable and necessary cost for the cleanup, removal and disposal of the actual presence of **contaminant(s)** from that property if the release, discharge or dispersal of such **contaminant(s)** is a result of a **covered loss**.

b. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not apply:

(1) At any **location** insured for **personal property** only; or

(2) At any **location**, or to any property, covered under the NEWLY ACQUIRED LOCATIONS or ERRORS AND OMISSIONS coverages provided by this Policy or at a **Miscellaneous Unnamed Location**.

c. **You** may make an initial claim for loss or damage covered by this PROPERTY DAMAGE COVERAGE AND LIMITATION on an **actual cash value** basis instead of on a replacement cost basis. In the event **you** elect to have the claim settled on an **actual cash value** basis, **you** may still make a claim for the difference between the **actual cash value** and replacement cost if **you** notify **us** of **your** intent to do so within six months of the later of the following dates:

(1) The last date on which **you** received a payment for **actual cash value**; or

(2) The date of entry of a final order of a court of competent jurisdiction declaring **your** right to full replacement cost.

- D. The following is added to the FIRE DEPARTMENT SERVICE CHARGES provision of SECTION II – PROPERTY DAMAGE, **D. PROPERTY DAMAGE COVERAGES AND LIMITATIONS**:

When a volunteer fire department that is not fully funded by real estate taxes or other property taxes is called to save or protect **covered property** from a **covered loss**, **we** will pay the amount billed to **you**, up to \$250, unless a higher LIMIT OF LIABILITY is shown in the Declarations for FIRE DEPARTMENT SERVICE CHARGES, in which case, that higher LIMIT OF LIABILITY will apply.

- E. Paragraph **B. APPRAISAL** of SECTION VI – LOSS CONDITIONS is replaced by the following:

**B. APPRAISAL**

1. If **you** and **we** fail to agree on the value of the **covered property** or amount of a loss, either party may demand that the disputed amount be submitted for appraisal. In this event, each party will select a competent and impartial appraiser. Each party must notify the other of the identity of its appraiser within twenty (20) days of the written demand for appraisal.
2. The two (2) appraisers will choose a competent and disinterested umpire. If the appraisers are unable to agree on an umpire within fifteen (15) days, **you** or **we** may apply in writing for the appointment of an umpire to the judge of the circuit court of the county or city in which the damaged or destroyed property was located at the time of loss.
3. The appraisers will state separately the value of the property and the amount of the loss. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the amount of **our** payment for the loss. If the appraisers fail to agree, they will submit their differences to the umpire. A decision agreed upon by any two of these three will set the amount of loss. An appraisal decision will be binding on both parties.
4. Each appraiser will be paid by the party that selects him or her. Other expenses of the appraisal and compensation of the umpire will be paid equally by **you** and **us**. However, if **we** make written demand for an appraisal of the loss, **we** will reimburse **you** for the reasonable cost of **your** chosen appraiser, and for **your** portion of the cost of the umpire.

- F. Paragraph **2.** of SECTION VI – LOSS CONDITIONS, **E. DUTIES AFTER A LOSS** does not apply.

All other terms and conditions remain unchanged.

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

**WASHINGTON CHANGES**

This endorsement applies only to **covered property** located in Washington and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™  
EXCLUSION OF CERTIFIED ACTS OF TERRORISM

**A.** Paragraph **H.** JURISDICTION of SECTION I – DECLARATIONS is replaced by the following:

**H.** JURISDICTION

Any disputes arising hereunder will be exclusively subject to a State or Federal jurisdiction within the United States of America.

**B.** The first paragraph of item **2.** of SECTION II – PROPERTY DAMAGE, **C.** EXCLUSIONS is replaced with the following:

**We** do not cover any of the excluded events listed below. Loss or damage will be considered to have been caused by an excluded event if the **occurrence** of that event directly and solely results in physical loss or damage, or initiates a sequence of events which results in physical loss or damage, regardless of the nature of any intermediate or final event in that sequence.

**C.** Paragraph **i.** of SECTION II – PROPERTY DAMAGE, **C.2.** EXCLUSIONS is replaced by the following:

**i.** Any criminal, fraudulent or dishonest act, including theft, committed alone or in collusion with others:

**(1)** By **you** or any proprietor, partner, director, trustee, officer or employee of an Insured; or

**(2)** By any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by **you** to do anything in connection with property insured under this Policy.

However, **we** do cover direct physical loss or damage intentionally caused by **your** employee or any individual specified in **(2)** above provided that said individuals acted without **your** knowledge.

This exclusion will not apply to deny an insured's otherwise **covered property** loss if the property loss is caused by an act of domestic abuse by another insured under this Policy, the insured claiming property loss files a police report and cooperates with any law enforcement investigation relating to the act of domestic abuse, and the insured claiming property loss did not cooperate in or contribute to the creation of the property loss. Payment by the insurer to an insured may be limited to the person's insurable interest in the property less payments made to a mortgagee or other party with a legal secured interest in the property. An insurer making payment to an insured under RCW 48.18.120 (1) has all rights of subrogation to recover against the perpetrator of the act that caused the loss.

D. Paragraph 3. of SECTION IV – DESCRIBED LOSSES, A. EARTH MOVEMENT is replaced by the following:

3. *EARTH MOVEMENT* is:

Earthquake, landslide, subsidence or sinking, rising or shifting of the earth, avalanche, whether natural or man-made, or volcanic eruption that directly and solely results in physical loss or damage, or initiates a sequence of events which results in physical loss or damage, regardless of the nature of any intermediate or final event in that sequence.

However, physical loss or damage from fire, explosion, sprinkler leakage or *FLOOD* caused by *EARTH MOVEMENT* will not be considered to be loss by *EARTH MOVEMENT* within the terms and conditions of this Policy.

E. Paragraph 2. of SECTION IV – DESCRIBED LOSSES, D. FLOOD is replaced by the following:

2. *FLOOD* is:

- a. Surface waters; rising waters; storm surge, wave wash; waves; tsunami; tide or tidal water; the release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray therefrom; all whether driven by wind or not;
- b. Sewer back-up resulting from any of the foregoing; or
- c. Mudslide or mudflow caused by or resulting from surface water, runoff or accumulation of water on or under the ground;  
that directly and solely results in physical loss or damage, or initiates a sequence of events which results in physical loss or damage, regardless of the nature of any intermediate or final event in that sequence.

**Covered loss** from *FLOOD* associated with a storm or weather disturbance whether or not identified by name by any meteorological authority is considered to be *FLOOD* within the terms of this Policy. However, physical loss or damage from fire, explosion or sprinkler leakage caused by *FLOOD* will not be considered to be loss by *FLOOD* within the terms and conditions of this Policy.

F. Paragraph C. CONCEALMENT, MISREPRESENTATION OR FRAUD of SECTION V - GENERAL POLICY CONDITIONS is replaced by the following:

C. CONCEALMENT, MISREPRESENTATION OR FRAUD

This entire Policy is void if **you** intentionally conceal or misrepresent any material fact or circumstance relating to it.

However, this will not apply to deny an insured's otherwise **covered property** loss if the property loss is caused by an act of domestic abuse by another insured under this Policy, the insured claiming property loss files a police report and cooperates with any law enforcement investigation relating to the act of domestic abuse, and the insured claiming property loss did not cooperate in or contribute to the creation of the property loss. Payment by the insurer to an insured may be limited to the person's insurable interest in the property less payments made to a mortgagee or other party with a legal secured interest in the property. An insurer making payment to an insured under RCW 48.18.120 (1) has all rights of subrogation to recover against the perpetrator of the act that caused the loss.



G. Paragraph E. INSPECTION of SECTION V - GENERAL POLICY CONDITIONS is replaced by the following:

E. INSPECTION

1. During the period of this Policy, **we** will be permitted, but not obligated, to inspect the **covered property**. **Our** right to inspect, the performance of or failure to inspect, and any report arising out of an inspection will not constitute an undertaking or imply that the property is safe, healthful, or in compliance with laws, regulations, codes or standards. **We** will have no liability to **you** or others because of any inspection or failure to inspect, or on account of anyone's use or reliance upon any report or other information generated during the course of, or as a result of any inspection.
2. 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.

H. Paragraph F. LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS of SECTION V - GENERAL POLICY CONDITIONS is deleted and replaced by endorsement PY 03 21 Washington Lender's Loss Payable Endorsement as required by the Washington Insurance Commissioner.

I. Paragraph 5. of SECTION V - GENERAL POLICY CONDITIONS, OTHER INSURANCE is replaced by the following:

5. **You** may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Policy. If **you** do, **we** will pay **our** share of the **covered loss** or damage. **Our** share is the proportion that the applicable LIMIT OF LIABILITY under this Policy bears to the limits of liability of all insurance covering on the same basis.

J. Paragraph 2. of SECTION V - GENERAL POLICY CONDITIONS, VALUATION is replaced by the following:

2. **You** may elect not to repair or replace the **covered property** lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or *replacement cost* basis if the proceeds of such loss settlement are expended on other capital expenditures related to **your** operations within two (2) years from the date of loss. As a condition of collecting under this provision, such expenditure must be unplanned as of the date of loss and be made at a covered **location** under this Policy. This provision does not extend to DEMOLITION AND INCREASED COST OF CONSTRUCTION or to property scheduled for demolition at the time of loss.

*Replacement cost* means the cost to replace **covered property**:

- a. With new materials of like kind and quality and used for the same purpose; and
- b. At the location where the loss happened.

But *replacement cost* excludes any increased cost of repair or reconstruction by reason of any law or ordinance regulating construction, repair or use.

K. Paragraph 2. of SECTION VI – LOSS CONDITIONS, H. SUBROGATION is replaced by the following:

2. **We** will be entitled to a recovery only after **you** have been fully compensated for damages.

L. Paragraph 1. of SECTION VII – DEFINITIONS is replaced by the following:

1. **Actual cash value**: The amount it would cost to repair or replace **covered property**, on the date of loss, with material of like kind and quality, but in no event more than the fair market value.

**M.** Paragraph **B.** of endorsement PY 04 04 EXCLUSION OF CERTIFIED ACTS OF TERRORISM is replaced by the following:

**B.** The following exclusion is added:

**CERTIFIED ACT OF TERRORISM EXCLUSION**

**We** will not pay for loss or damage caused by or resulting from a "certified act of terrorism". Loss or damage will be considered to have been caused by or resulting from a "certified act of terrorism" if the **occurrence** of that "certified act of terrorism" directly and solely results in physical loss or damage, or initiates a sequence of events which results in physical loss or damage, regardless of the nature of any intermediate or final event in that sequence.

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**WEST VIRGINIA CHANGES**

This endorsement applies only to **covered property** located in West Virginia and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **1.** of SECTION VI – LOSS CONDITIONS, **B.** APPRAISAL is replaced by the following:

1. If **you** fail to agree with **us** on the amount of a loss, then on written demand of either party, each will select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty (20) days of such demand.

**B.** Paragraph **G.** PAYMENT OF LOSS of SECTION VI – LOSS CONDITIONS is replaced by the following:

**G.** PAYMENT OF LOSS

1. In settlement of all or part of any claim, **we** will pay the amount agreed upon within fifteen (15) working days after:

**Our** receipt of the agreement; or

- a. The date of the performance by the claimant of any condition set by the agreement, whichever is later.

2. If **real property** is located in West Virginia the following applies:

**a.** Total Losses

In case of total loss by fire or other direct physical loss or damage of the type insured by this Policy at a covered **location**, **we** will pay the LIMIT OF LIABILITY applicable to **real property** at that covered **location**.

This provision does not apply to any claim for total loss to any building which is insured as part of a blanket LIMIT OF LIABILITY applicable to two or more buildings. Any claim for total loss to a building insured on a blanket basis will be settled at replacement cost or at **actual cash value**, depending on the Policy provisions applicable to the building sustaining the total loss.

**b.** Partial Losses

In the case of partial loss by fire or other direct physical loss or damage of the type insured by this Policy at a covered **location**, **we** will pay the total amount of the partial loss; but **we** will not pay more than the LIMIT OF LIABILITY applicable to **real property** at that covered **location**.

This provision will not apply if there is insurance written by another insurer covering the same interest in the **real property**.

All other terms and conditions remain unchanged.

Policy Number MJ2-L4L-004833-069  
Issued by Liberty Mutual Fire Insurance Company

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

**WYOMING CHANGES**

This endorsement applies only to **covered property** located in Wyoming and modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A.** Paragraph **G.** PAYMENT OF LOSS of SECTION VI – LOSS CONDITIONS is replaced by the following:

**G.** PAYMENT OF LOSS

Claims for benefits under this Policy shall be rejected or accepted and paid by **us** or **our** agent designated to receive those claims within forty-five (45) days after receipt of the claim and supporting bills.

**B.** Paragraph **I.** SUIT AGAINST THE COMPANY of SECTION VI – LOSS CONDITIONS is replaced by the following:

**I.** SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within four (4) years next after the inception of the loss.

All other terms and conditions remain unchanged.

# Exhibit B

## Disclosure Statement



It is our pleasure to present the enclosed policy to you  
for presentation to your customer.

**INSTRUCTION TO AGENT OR BROKER:**

WE REQUIRE THAT YOU TRANSMIT THE ATTACHED/ENCLOSED DISCLOSURE STATEMENT TO THE CUSTOMER  
WITH THE POLICY.

Once again, thank you for your interest, and we look forward to meeting your needs and those of your customers.

# Disclosure Statement



## NOTICE OF DISCLOSURE FOR AGENT & BROKER COMPENSATION

If you want to learn more about the compensation Zurich pays agents and brokers visit:

<http://www.zurichnaproducercompensation.com>

or call the following toll-free number: (866) 903-1192.

This Notice is provided on behalf of Zurich American Insurance Company  
and its underwriting subsidiaries.



## Important Notice – In Witness Clause

In return for the payment of premium, and subject to the terms of this policy, coverage is provided as stated in this policy.

IN WITNESS WHEREOF, this Company has executed and attested these presents and, where required by law, has caused this policy to be countersigned by its duly Authorized Representative(s).

A handwritten signature in black ink, appearing to read 'Craig J. ...', written in a cursive style.

President

A handwritten signature in black ink, appearing to read 'Dennis J. ...', written in a cursive style.

Corporate Secretary

**QUESTIONS ABOUT YOUR INSURANCE?** Your agent or broker is best equipped to provide information about your insurance. Should you require additional information or assistance in resolving a complaint, call or write to the following (please have your policy or claim number ready):

Zurich in North America  
Customer Inquiry Center  
1299 Zurich Way  
Schaumburg, Illinois 60196-1056  
**1-800-382-2150** (Business Hours: 8am - 4pm [CT])  
**Email:** [info.source@zurichna.com](mailto:info.source@zurichna.com)





# Property Insurance Policy

Zurich North America  
Customer Inquiry Center  
1299 Zurich Way  
Schaumburg, IL 60196  
**1-800-382-2150** (Business Hours: 8am~4pm {CT})

Insured Name: Crown Intermediate Holdco, Inc.  
Policy Number: MLP 1150953-01  
Effective Date: 6/1/2019



**THIS DISCLOSURE IS ATTACHED TO AND MADE PART OF YOUR POLICY.**

**DISCLOSURE OF IMPORTANT INFORMATION**

**RELATING TO TERRORISM RISK INSURANCE ACT**

**SCHEDULE\***

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA:

**Decline**

\*Any information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Disclosure of Premium**

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

**B. Disclosure of Federal Participation in Payment of Terrorism Losses**

The United States Government may pay a share of insured losses resulting from an act of terrorism. The federal share will decrease by 5% from 85% to 80% over a five year period while the insurer share increases by the same amount during the same period. The schedule below illustrates the decrease in the federal share:

January 1, 2015 – December 31, 2015 federal share: 85%  
January 1, 2016 – December 31, 2016 federal share: 84%  
January 1, 2017 – December 31, 2017 federal share: 83%  
January 1, 2018 – December 31, 2018 federal share: 82%  
January 1, 2019 – December 31, 2019 federal share: 81%  
January 1, 2020 – December 31, 2020 federal share: 80%

**C. Disclosure of \$100 Billion Cap on All Insurer and Federal Obligations**

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a calendar year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer 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 Treasury.

**D. Availability**

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

**E. Definition of Act of Terrorism under TRIA**

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;

3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.



# **SANCTIONS EXCLUSION ENDORSEMENT**

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

The following exclusion is added to the policy to which it is attached and supersedes any existing sanctions language in the policy, whether included in an Exclusion Section or otherwise:

### **SANCTIONS EXCLUSION**

Notwithstanding any other terms under this policy, we shall not provide coverage nor will we make any payments or provide any service or benefit to any insured, beneficiary, or third party who may have any rights under this policy to the extent that such cover, payment, service, benefit, or any business or activity of the insured would violate any applicable trade or economic sanctions law or regulation.

The term policy may be comprised of common policy terms and conditions, the declarations, notices, schedule, coverage parts, insuring agreement, application, enrollment form, and endorsements or riders, if any, for each coverage provided. Policy may also be referred to as contract or agreement.

We may be referred to as insurer, underwriter, we, us, and our, or as otherwise defined in the policy, and shall mean the company providing the coverage.

Insured may be referred to as policyholder, named insured, covered person, additional insured or claimant, or as otherwise defined in the policy, and shall mean the party, person or entity having defined rights under the policy.

These definitions may be found in various parts of the policy and any applicable riders or endorsements.

## **ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED**

# Declarations



**Policy Number**  
MLP 1150953-01

**Named Insured and Mailing Address**  
Crown Intermediate Holdco , Inc.  
7132 Regal Ln  
Knoxville, TN 37918

and

Any affiliated or subsidiary companies or corporations owned, controlled or coming under the Named Insured's active management and their interest in partnerships or joint ventures as now exist or may hereafter be constituted or acquired during the policy period.

The inclusion of more than one (1) Insured under this Policy will not operate to increase the total limit of insurance beyond the total limit of insurance stated in this Policy.

**The Stock Company (providing insurance)**

Zurich American Insurance Company

**Producer**  
**AON RISK SERVICES SOUTH, INC**

3550 Lenox Rd NE STE 1700  
Atlanta, GA 30326

**Policy Period**

Coverage begins June 1, 2019 at 12:01 AM. Coverage ends June 1, 2020 at 12:01 AM.

**Insuring Agreement**

In consideration for the premium charged and subject to all the terms and conditions, this Policy insures the Named Insured (hereinafter called the Insured) during the Policy Period and for an amount not exceeding its proportionate share of the Limit(s) of insurance specified in the forms and endorsements attached.

Insurance provided under this policy applies to loss or damage caused by or resulting from risks of direct physical loss of or damage from any external cause to covered property occurring at a premises described within the Territory of the policy, unless excluded.

**Proportionate Share**

This Policy's proportionate share for loss or damage after the application of any deductible is:

**40** % Quota Share; Being \$ **100,000,000** part of a \$ **250,000,000** primary loss layer

**Premium**

<b>Annual Policy Premium</b>	<b>Surcharges, Taxes &amp; Fees</b>	<b>Total Policy Premium</b>
\$2,019,500	\$3,806.25	\$2,023,306.25

**Forms Applicable to This Policy**

Form Name	Form Number
Disclosure Statement	U-GU-973-A
Disclosure Statement	U-GU-874-A
Manuscript Cover Page	U-MAN-A
Disclosure of Important Information Relating to Terrorism Risk Insurance Act	U-GU-630-D
In Witness Clause	U-GU-319-F
Sanctions Exclusion Endorsement	U-GU-1191-A
Declarations Page	U-MAN-A
Manuscript Policy Wording	
Exclusion of Loss Resulting from Certified Acts of Terrorism with Expectations and Sub-Limits	U-GU-685-D
Absolute Terrorism Exclusion (Foreign Locations)	U-GU-641-A
International Property Endorsement	International Property Endorsement 04/15

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Authorized Representative

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Date

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## SECTION I - DECLARATIONS

### A. FIRST NAMED INSURED AND MAILING ADDRESS

Crown Intermediate Holdco, Inc. and any subsidiary, and the interest of Crown Intermediate Holdco, Inc. in any partnership or joint venture in which Crown Intermediate Holdco, Inc. has management control, ownership, or is obligated to insure, as now constituted or hereafter is acquired, as the respective interest of each may appear; all hereafter referred to as **you** or **yours**, including legal representatives.

When any Insured described above is a party to a written contract or agreement on file that requires a legal entity to be identified as an additional insured under this Policy, this Policy includes the legal entity as an additional insured, as its interest may appear, for physical damage to **covered property** which is the subject of the written contract or agreement on file, before any loss occurs; and does not provide any TIME ELEMENT Coverage to the legal entity, except as provided under LEASEHOLD INTEREST of this Policy or as specifically endorsed to the Policy.

101 E Blount Ave  
Knoxville, TN 37920

### B. POLICY PERIOD

The term of this Policy is from June 1, 2019 to June 1, 2020 at 12:01 a.m., local time. In the event of a claim, the Policy period is measured by local time at the **location** where the direct physical loss or damage occurs.

### C. INSURING AGREEMENT

In consideration of this Policy's Provisions, Conditions, Stipulations, LIMITS OF LIABILITY and of premium charged, **we** cover property, as described in this Policy, against all risks of direct physical loss or damage, except as hereinafter excluded or limited, while located as described in this Policy.

### D. PREMIUM

This Policy is issued in consideration of the following initial premium inclusive of any premium shown on endorsements which are part of the Policy at the time of issue.

Policy Premium (Excluding premium for "certified act(s) of <b>terrorism</b> " under the <b>Terrorism</b> Risk Insurance Act (TRIA), as amended):	\$2,019,500
Policy Premium for "certified act(s) of <b>terrorism</b> " under the <b>Terrorism</b> Risk Insurance Act (TRIA), as amended:	REJECTED
State or Municipal Taxes, Surcharges and Other Miscellaneous Charges: (See State or Municipal Taxes, Surcharges and Other Miscellaneous Charges summary shown below)	\$3,806.25
Total Policy Premium and State or Municipal Taxes, Surcharges and Other Miscellaneous Charges for Above Policy Period:	\$2,023,306.25
Policy Premium will be billed Annually.  The Deposit Premium is:	\$2,023,306.25

State or Municipal Taxes, Surcharges and Other Miscellaneous Charges

The amount shown below for State or Municipal Taxes, Surcharges and Other Miscellaneous Charges is comprised of the following amounts:

State or Municipal Taxes, Surcharges and Other Miscellaneous Charges	Amount
FL Emergency Management & Preparedness and Assistance Trust Fund Surcharge	\$327.49
Florida Fire College Trust Fund Surcharge	\$0
KY Surcharge	\$94.23
KY Municipal Tax	\$456.68
MN Fire Safety Surcharge	\$6.81
NJ PLIGA (Property Liability Insurance Guaranty Association)	\$149.02
NY Fire Insurance Fee	\$658.00
WV Fire and Casualty Surcharge	\$18.96
State or Municipal Taxes, Surcharges and Other Miscellaneous Charges Total	\$3,806.25

**E. PREMIUM PAYABLE**

The First Named Insured pays the premium under this Policy, and any return of the paid premium accruing under this Policy will be paid to the account of the First Named Insured.

Premiums will be paid in the currency designated in paragraph I. CURRENCY.

## F. COVERED LOCATION(S)

This Policy applies at a **location(s)**:

1. Listed on a SCHEDULE on file with **us**;
2. Listed on the SCHEDULE attached to this Policy;
3. Covered as a **Miscellaneous Unnamed Location**; or
4. Covered under the terms and conditions of the NEWLY ACQUIRED **LOCATIONS** Coverage or ERRORS AND OMISSIONS Coverage.

## G. TERRITORY

Coverage under this Policy applies to **covered property** worldwide except coverage does not apply in: Afghanistan, Albania, Algeria, Angola, Armenia, Aksai Chin and Trans- Karakoram Tract in People's Republic of China, Azerbaijan, Bangladesh, Belarus, Belize, Benin, Botswana, Burkina Faso, Burundi, Cambodia (Kampuchea), Cameroon, Cape Verde, Central African Republic, Chad, Chechen Republic of the Russian Federation, Comoros, Cote D'Ivoire, Cuba, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Fiji, Gabon, Gambia, Gaza Strip, West Bank and territories north of Latitude 32.80 N in Israel, Georgia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Iran, Iraq, Ivory Coast, Jammu and Kashmir in India, Kazakhstan, Kyrgyzstan (Kyrgyz Republic), Laos, Lebanon, Lesotho, Liberia, Libya, Macedonia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mayotte, Moldova, Mongolia, Montenegro, Montserrat, Mozambique, Myanmar (Burma), Namibia, Nepal, Niger, Nigeria, North Korea, Pakistan, Palestine, Papua New Guinea, Republic of the Congo, Reunion, Rwanda, Sao Tome' and Principe', Senegal, Serbia, Sierra Leone, Somalia, Sri Lanka, South Sudan, Sudan, Swaziland, Syria, Tajikistan, Tanzania, Tibet, Togo, Turkmenistan, Uganda, Uzbekistan, Western Sahara, Yemen, Zambia, Zimbabwe; or Any nation with which United States companies are not permitted to do business, or which are or become subject to trade sanctions by the government of the United States. Whenever coverage provided by this Policy would be in violation of United States economic or trade sanctions, such coverage shall be null and void, and **we** will not be liable to make payments or provide defense under this Policy. In accordance with the United States Department of Treasury's Office of Foreign Assets Control (OFAC) regulations, or any applicable regulation promulgated by the U.S. Department of State, 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 will be immediately subject to OFAC. When an insurance Policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

## H. JURISDICTION

The validity and interpretation of this Policy shall be governed by and construed in accordance with the laws of the State of New York.

Any disputes arising hereunder will be exclusively subject to a State or Federal jurisdiction within the United States of America.

## I. CURRENCY

All amounts, including deductibles and LIMITS OF LIABILITY, indicated in this Policy are in U.S. Dollars unless otherwise indicated by the three-letter currency designator as defined in Table A.1 Currency and Funds code list, International Standards Organization (ISO) 4217, edition effective at inception of this Policy.

## J. DEFINED WORDS

Words in bold face type have special meanings in this Policy and are defined in the DEFINITIONS section of this Policy. These definitions apply to this entire Policy and to any endorsements to it. Definitions that apply to individual sections or paragraphs are italicized and defined in the applicable sections or paragraphs.

## K. LIMITS OF LIABILITY

When a POLICY LIMIT OF LIABILITY is specified in the LIMITS OF LIABILITY Table in the Declarations, **our** maximum LIMIT OF LIABILITY in an **occurrence**, including any insured TIME ELEMENT loss, will not exceed the stated POLICY LIMIT OF LIABILITY.

1. When a PROPERTY DAMAGE and TIME ELEMENT LIMIT OF LIABILITY is specified in the LIMITS OF LIABILITY Table in the Declarations, it will apply to all coverages provided throughout this Policy, unless a LIMIT OF LIABILITY or "NCP" (No Coverage Provided) is indicated.
  - a. When a LIMIT OF LIABILITY is specified in the LIMITS OF LIABILITY Table in the Declarations, such limit will be the maximum amount payable for such loss or damage and cannot be combined with any other LIMIT OF LIABILITY.
  - b. If "NCP" is specified in the LIMITS OF LIABILITY, there is no coverage provided in this Policy.
2. LIMITS OF LIABILITY in an **occurrence** apply to the total loss or damage at all **locations** and for all coverages involved, including any insured TIME ELEMENT loss, subject to the following provisions:
  - a. When a LIMIT OF LIABILITY that applies in the aggregate during any Policy year is shown, **our** maximum amount payable will not exceed such LIMIT OF LIABILITY during any Policy year.
  - b. When a LIMIT OF LIABILITY applies to a **location(s)**, specified property, DESCRIBED LOSSES or a specific coverage, the smallest applicable LIMIT OF LIABILITY will be the maximum amount payable.
  - c. Should an **occurrence** result in liability payable under more than one Policy issued to **you** by **us**, or by **our** subsidiaries, partners, or associated insurance companies, the maximum amount payable in the aggregate under all such policies will be the applicable LIMIT(S) OF LIABILITY indicated in this Policy.
  - d. When a LIMIT OF LIABILITY applies to TIME ELEMENT only, **our** maximum amount payable will not exceed such LIMIT OF LIABILITY per **occurrence**.
3. LIMITS OF LIABILITY specified below or elsewhere in this Policy do not increase and are part of and not in addition to the POLICY LIMIT OF LIABILITY or the PROPERTY DAMAGE and TIME ELEMENT LIMIT OF LIABILITY.
4. LIMITS OF LIABILITY apply per **occurrence** unless otherwise specified, including time and distance limits.

LIMITS OF LIABILITY TABLE – PART ONE

COVERAGE	LIMITS OF LIABILITY AND TIME AND DISTANCE LIMITS
POLICY LIMIT OF LIABILITY	\$250,000,000
ACCOUNTS RECEIVABLE	\$25,000,000
<i>ATTRACTION PROPERTY</i>	1 statute miles from a covered <b>location</b> 30 consecutive days, not to exceed \$10,000,000
BRANDS AND LABELS	\$2,500,000
CIVIL OR MILITARY AUTHORITY	1 statute miles from a covered <b>location</b> 60 consecutive days, not to exceed \$10,000,000
COINSURANCE DEFICIENCY AND CURRENCY DEVALUATION	\$100,000
COMPUTER SYSTEMS NON PHYSICAL DAMAGE and DATA, PROGRAMS OR SOFTWARE, combined	\$250,000
CONTINGENT TIME ELEMENT <ul style="list-style-type: none"> <li>• <i>Direct Dependent Contingent Time Element</i> <b>Location(s):</b> Not Scheduled or on file with <b>us</b></li> <li>• <i>Indirect Dependent Contingent Time Element</i> <b>Location(s):</b> Not Scheduled or on file with <b>us</b></li> </ul>	\$10,000,000        NCP
CONTROL OF DAMAGED GOODS	\$100,000
COURSE OF CONSTRUCTION	\$25,000,000
CRISIS MANAGEMENT	30 consecutive days, not to exceed \$1,000,000
DEBRIS REMOVAL	\$25,000,000
DECONTAMINATION COSTS	\$1,000,000
DEFERRED PAYMENTS	\$1,000,000
DELAY IN STARTUP	\$1,000,000
DEMOLITION AND INCREASED COST OF CONSTRUCTION	\$25,000,000

DIFFERENCE IN CONDITIONS / DIFFERENCE IN LIMITS	\$1,000,000
ERRORS AND OMISSIONS	\$25,000,000
EXPEDITING EXPENSE	\$10,000,000
EXTENDED PERIOD OF LIABILITY	365 consecutive days
EXTRA EXPENSE	\$25,000,000
FINANCIAL INTEREST COVERAGE	\$1,000,000
<b>FINE ARTS</b>	\$10,000,000
FIRE DEPARTMENT SERVICE CHARGES	\$250,000
<i>GROSS PROFIT</i>	12 months
IMPOUNDED WATER	30 consecutive days, not to exceed \$5,000,000
INGRESS / EGRESS	1 statute miles from a covered <b>location</b> 60 consecutive days, not to exceed \$10,000,000
LAND AND WATER CLEANUP, REMOVAL AND DISPOSAL in the <b>annual aggregate</b>	\$1,000,000
LEASEHOLD INTEREST	\$10,000,000
MISCELLANEOUS <b>PERSONAL PROPERTY</b>	\$1,000,000
<b>Miscellaneous Unnamed Locations</b>	\$10,000,000
Mold, Mildew or Fungus directly resulting from a <b>Covered Loss</b>	\$1,000,000
NEIGHBOR'S RECOURSE AND TENANT'S LIABILITY	\$250,000
NEWLY ACQUIRED <b>LOCATIONS</b>	120 consecutive days, not to exceed \$25,000,000
NONADMITTED TAX LIABILITY	\$250,000
OFF PREMISES INTERRUPTION OF SERVICES – PROPERTY DAMAGE and OFF PREMISES INTERRUPTION OF SERVICES – TIME ELEMENT	\$25,000,000



<b>Ordinary Payroll</b>	365 consecutive days
PROFESSIONAL FEES	\$500,000
RADIOACTIVE <b>CONTAMINATION</b>	\$100,000
RENTAL INSURANCE	\$2,500,000
RESEARCH AND DEVELOPMENT	\$1,000,000
<i>SOFT COSTS</i>	\$2,500,000
TAX LIABILITY	\$1,000,000
TRANSIT	\$5,000,000
<b>VALUABLE PAPERS AND RECORDS</b>	\$25,000,000
MOVIE FILMS OWNED BY THIRD PARTIES <b>YOU ARE REQUIRED TO INSURE.</b>	\$2,500,000

LIMITS OF LIABILITY TABLE – PART TWO

COVERAGE	LIMITS OF LIABILITY AND TIME AND DISTANCE LIMITS
<i>EARTH MOVEMENT</i> in the <b>annual aggregate</b>	\$100,000,000
except the following limits apply per <b>occurrence</b> and in the <b>annual aggregate</b> , and are part of and not in addition to the <i>EARTH MOVEMENT annual aggregate</i> limit:	
<ul style="list-style-type: none"> <li>• <b>Covered property</b> situated in: California Earth Movement, Puerto Rico Earth Movement.</li> </ul>	\$25,000,000
Alaska Earth Movement, Hawaii Earth Movement.	\$35,000,000
New Madrid Earth Movement - Zone 1, New Madrid Earth Movement - Zone 2.	\$50,000,000
Pacific NW Earth Movement Zone.	\$50,000,000

<p>EQUIPMENT BREAKDOWN</p> <p>PROPERTY DAMAGE and TIME ELEMENT except: The following limits are part of and not in addition to the EQUIPMENT BREAKDOWN limits specified above:</p> <ul style="list-style-type: none"> <li>• Ammonia <b>Contamination</b></li> <li>• CONTINGENT TIME ELEMENT</li> <li>• Spoilage Damage</li> </ul>	<p style="text-align: right;">Included</p> <p style="text-align: right;">\$1,000,000</p> <p style="text-align: right;">\$5,000,000</p> <p style="text-align: right;">\$1,000,000</p>
<p><i>FLOOD</i> in the <b>annual aggregate</b></p> <p>except the following limits apply per <b>occurrence</b> and in the <b>annual aggregate</b>, and are part of and not in addition to the <b>FLOOD annual aggregate</b> limit:</p> <ul style="list-style-type: none"> <li>• <b>Covered property at locations</b> situated in: Flood Hazard – High</li> <li>Flood Hazard - Moderate</li> </ul>	<p style="text-align: right;">\$100,000,000</p> <p style="text-align: right;">\$25,000,000</p> <p style="text-align: right;">\$50,000,000</p>
<p><i>NAMED STORM</i></p>	<p style="text-align: right;">Included</p>

ENDORSEMENT LIMITS OF LIABILITY

Endorsement Number	Endorsement Name	LIMITS OF LIABILITY
U-GU-630-D	Exclusion of Certified Acts of Terrorism	TRIA Rejected
PZ 00 01 08 16	COMMUNICABLE DISEASE AND BED BUG DECONTAMINATION COST per <b>occurrence</b> and in the <b>annual aggregate</b>	\$250,000
PY 03 03 01 17	GREEN BUILDINGS ENDORSMENT	\$5,000,000 12 Months
PY 04 10 01 17	REMOVAL OF VACANCY CLAUSE	All Locations
PY 05 01 01 18	TERRORISM EXCLUSION AMENDMENT	Applies
PZ 00 09 08 16	VALUES AT RISK AND PREMIUM ADJUSTMENT	Applies

**L. CANCELLATION TIME SPECIFICATIONS**

Cancellation for Nonpayment of Premium	Ten (10) days
Cancellation for All Reasons Other Than Nonpayment of Premium	60 days

**M. DEDUCTIBLES**

Subject to the Deductible General Provisions stated below, **we** will not pay unless a **covered loss**, including any insured TIME ELEMENT loss, exceeds the deductible(s) specified below. **We** will then pay the amount of **covered loss** in excess of the deductible, up to the applicable LIMIT OF LIABILITY.

Deductible General Provisions

**We** will be liable only if **you** sustain a **covered loss**, including any insured TIME ELEMENT loss, in a single **occurrence** greater than the applicable deductible specified. When this Policy insures more than one (1) **location**, the deductible(s) will apply against the total loss covered by this Policy in an **occurrence** unless otherwise stated.

1. Unless otherwise stated, if two or more deductibles apply to an **occurrence**, the total deductible will not exceed the largest applicable deductible, except as follows:
  - a. When a separate PROPERTY DAMAGE and TIME ELEMENT deductible apply, each will be applied separately.
  - b. If there are multiple **locations** involved in an **occurrence** where two or more deductibles apply to a **location** in an **occurrence**, the largest deductible applying to each **location** will be applied separately to each such **location**, regardless of the number of **locations** involved in the **occurrence**.

- c. Unless specified otherwise, if deductibles are specified for a **location**, the largest deductible applicable will be applied to that **location** regardless of the number of **locations** involved in the **occurrence**.
        - d. Equipment Breakdown: With regard to Equipment Breakdown coverage, if one or more deductible amounts are shown below, each will be applied separately.
        - e. The stated *EARTH MOVEMENT* deductible will be applied to *EARTH MOVEMENT* loss. The stated *FLOOD* deductible will be applied to *FLOOD* loss. The stated *NAMED STORM* deductible will be applied to *NAMED STORM* loss. Provisions **1.a.** and **1.b.** above will also be applied to each.
2. When a percent deductible is specified, whether separate or combined, the deductible amount will be determined as follows:
  - a. PROPERTY DAMAGE: The percentage of the total reported values on file with **us** for the **covered property** at the corresponding **location(s)** (including sub-**locations**) where the direct physical loss or damage occurred; plus
  - b. TIME ELEMENT: The percentage of the full TIME ELEMENT values that would have been earned in the 12-month period following the **occurrence**, had no loss occurred, by use of the facilities at the **location** where the direct physical loss or damage occurred, plus that proportion of the full TIME ELEMENT values at all other **locations** where TIME ELEMENT loss ensues that was directly affected by use of such facilities and that would have been earned in the 12-month period following the **occurrence**.
  - c. Equipment Breakdown: The percentage of the gross amount of loss, damage or expense (prior any deductible) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.
3. When a minimum deductible is shown, the minimum deductible is the sum of:
  - a. The specific **location** deductible for each covered **location** where the amount of physical loss or damage exceeds the specific **location** deductible; and
  - b. The amount of physical loss or damage for each covered **location** where the amount of physical loss or damage is less than the specific **location** deductible.
4. When an average daily value deductible is provided, this deductible will be determined as follows:
  - a. The total amount of TIME ELEMENT loss applicable for the entire **location** where the direct physical loss or damage happens will be included.
  - b. Divide the result in Paragraph **a.** by the number of days the business would have been open during the PERIOD OF LIABILITY. The result is the average daily value.
  - c. Multiply the average daily value in Paragraph **b.** by the number of days specified in the DEDUCTIBLE TABLE below.

If more than one (1) **location** is included in the valuation of the loss, the average daily value will be the combined value of all affected **locations**.

5. When a per unit deductible is specified, the following shall be considered a separate unit of insurance:
  - a. Each separate building, the contents of each separate building and **covered property** in each yard at that covered **location**.
  - b. TIME ELEMENT loss as applicable, including all other **locations** where TIME ELEMENT loss ensues as provided by this Policy.
6. When a time deductible is shown, **we** will not be liable for any loss under that coverage that occurs during that specified time period immediately following the direct physical loss or damage. If a time deductible is shown in days, each day shall mean twenty four (24) consecutive hours.
7. When a deductible is shown in the Declarations for a *NAMED STORM*, the following applies:
  - a. All direct physical loss or damage to **covered property** including TIME ELEMENT loss caused by or resulting from a *NAMED STORM* will be subject to the deductible obtained by calculating all of the following:
    - (1) The sum of all applicable percentage deductibles calculated as described in Deductible General Provisions Item 2. above, subject to any applicable minimums or maximums; and
    - (2) Any other applicable deductible amounts.

DEDUCTIBLE TABLE – PART ONE

Coverage	Deductible Percentage / Amounts
Policy Deductible (except as otherwise indicated) PROPERTY DAMAGE and TIME ELEMENT	\$100,000
All direct physical loss or damage to covered property (including any insured TIME ELEMENT loss) caused by or resulting from Hail or Wind other than wind associated with a NAMED STORM	2% per unit of insurance subject to \$250,000 minimum per location
MOVIE FILMS OWNED BY THIRD PARTIES <b>YOU ARE REQUIRED TO INSURE.</b>	\$5,000
COMMUNICABLE DISEASE AND BED BUG DECONTAMINATION COST	\$25,000

DEDUCTIBLE TABLE – PART TWO

Coverage	Deductible Percentage / Amounts
<i>EARTH MOVEMENT</i> except: <ul style="list-style-type: none"> <li><b>Covered property</b> situated in: California Earth Movement, Alaska Earth Movement, Hawaii Earth Movement, Puerto Rico Earth Movement.  Nevada Earth Movement, New Madrid Earth Movement - Zone 1, New Madrid Earth Movement - Zone 2, Pacific NW Earth Movement Zone.</li> </ul>	\$100,000  5% per unit of insurance subject to \$250,000 minimum  2% per unit of insurance subject to \$250,000 minimum
EQUIPMENT BREAKDOWN PROPERTY DAMAGE and TIME ELEMENT	\$100,000
<i>FLOOD</i> except: <ul style="list-style-type: none"> <li><b>Covered property at locations</b> situated in: Flood Hazard - High  Flood Hazard - Moderate</li> </ul>	\$100,000  \$500,000 Real Property \$500,000 Personal Property \$100,000 Other applying per location  \$250,000 applying per location

<p><i>NAMED STORM</i></p> <ul style="list-style-type: none"> <li>• <b>Locations</b> situated in:  Named Storm Tier 1 - NC to TX, Named Storm Tier 2  - NC to TX, Named Storm Harris County, TX  .</li> </ul> <p>Named Storm Florida, Named Storm Hawaii.</p> <p>Named Storm Guam, Saipan, American Samoa, Puerto Rico, and the US Virgin Islands.</p> <p>Named Storm Global Zone 1.</p>	<p>2% per unit of insurance subject to \$250,000 minimum</p> <p>5% per unit of insurance subject to \$250,000 minimum</p> <p>5% per unit of insurance subject to \$250,000 minimum</p> <p>5% per unit of insurance subject to \$250,000 minimum</p>
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**OCCURRENCE TIME SPECIFICATIONS**

<i>EARTH MOVEMENT</i>	continuous 72 hours
<i>NAMED STORM</i>	continuous 72 hours

**N. QUALIFYING PERIOD(S)**

A *qualifying period* applies for the coverages shown in the Table below. *Qualifying period* is the period of time that must be exceeded for coverage to apply. Once the *qualifying period* has been exceeded, coverage applies from the initial event of loss.

*QUALIFYING PERIOD TABLE*

Coverage	<i>QUALIFYING PERIOD</i>
COMPUTER SYSTEMS NON PHYSICAL DAMAGE and DATA, PROGRAMS OR SOFTWARE, combined	24 hours
CRISIS MANAGEMENT	24 hours
OFF PREMISES INTERRUPTION OF SERVICES – PROPERTY DAMAGE AND TIME ELEMENT	24 hours



## SECTION II – PROPERTY DAMAGE

### A. COVERED PROPERTY

1. **We** cover **your** insurable interest in the following types of property that are located at or within one-thousand (1,000) feet of a covered **location**, unless otherwise excluded:

- a. **Real Property**, including new buildings, structures and additions in the **COURSE OF CONSTRUCTION**.
- b. **Personal Property**, including *personal property of others*.

*Personal property of others* are tangible things that **you** do not own, other than **real property**, that:

- (1) are sold by **you** and that **you** have agreed, prior to loss, to insure for the account of the purchaser during delivery;
- (2) **you** have agreed in writing prior to any loss or damage to provide coverage;
- (3) are in **your** care, custody or control;
- (4) **you** have an insurable interest in, or an obligation to provide coverage;
- (5) **you** are legally liable for;
- (6) are improvements and betterments consisting of fixtures, alterations, installation or additions comprising part of a building not owned by **you** and acquired or made at **your** expense which **you** cannot legally move, but only to the extent of **your** insurable interest therein; or
- (7) are **personal property** (other than vehicles) of **your** employees and officers.

2. **We** also cover the interest of contractors and subcontractors in **covered property** during construction at or within one-thousand (1,000) feet of a covered **location** to the extent of **your** legal liability for direct physical loss or damage to such property. Such interest of contractors and subcontractors is limited to the property for which they have been hired to perform work and such interest will not extend to any **TIME ELEMENT** coverage provided under this Policy.

### B. PROPERTY NOT COVERED

**We** do not cover the following types of property:

1. Aircraft, except when unfueled and manufactured by **you**;
2. Animals, standing timber including undisturbed natural wooded areas, or growing crops;
3. Bridges or tunnels, however pedestrian walkways connecting buildings are covered;
4. Caves, caverns, mines of any type, or any property contained within them;
5. Contraband or property in the course of illegal transportation or trade;
6. Currency, money, negotiable and non-negotiable instruments, notes or securities;
7. Dams, dikes, levees, docks, wharfs, piers or bulkheads;

8. **Electronic data**, computer programs or software, except when they are stock in process, finished stock manufactured by **you**, raw materials, supplies, other merchandise not manufactured by **you** or as provided in this Policy;
9. Land and any substance in or on land except this exclusion does not apply to **land improvements**;
10. **Land improvements** at a golf course;
11. Overhead transmission and distribution systems located more than one-thousand (1,000) feet away from a covered **location**;
12. *Personal property of others* that is in the care, custody or control of **you** or **your** affiliates for which **you** are acting as a warehouseman, bailee for hire, or carrier for hire.
13. Precious metals or precious stones, except when used in industrial or service operations;
14. Property in transit, except as otherwise provided by this Policy;
15. Property more specifically insured, except for any excess over any LIMITS OF LIABILITY of such more specific insurance;
16. Property sold by **you** under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to **your** customers, except as provided by the DEFERRED PAYMENTS coverage of this Policy;
17. Spacecraft, satellites, associated launch vehicles and any property contained therein;
18. Vehicles otherwise insured for physical loss or damage;
19. Water except this exclusion does not apply to water that is contained within any enclosed tank, piping system or any other processing equipment; or
20. Watercraft, except watercraft **you** manufacture and are part of **your** inventory while being stored un-fueled and on dry land at a covered **location**.

## C. EXCLUSIONS

The following exclusions apply unless otherwise stated in this Policy:

1. **We** do not cover:
  - a. Indirect or remote loss or damage;
  - b. Interruption of business, except to the extent provided by this Policy;
  - c. Loss of market or loss of use;
  - d. Loss or damage or deterioration arising from any delay;
  - e. Mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained loss;
  - f. Loss or damage from enforcement of any law or ordinance:
    - (1) Regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
    - (2) Requiring the demolition of any property, including the cost in removing its debris;

except as provided by the DECONTAMINATION COSTS and DEMOLITION AND INCREASED COST OF CONSTRUCTION coverages of this Policy;

- g. Loss resulting from the voluntary parting with title or possession of property if induced by any fraudulent act or by false pretense; or
  - h. Loss or damage caused by or resulting from freezing, disease or drought to landscape gardening, including plants, trees and shrubs.
2. **We** do not cover physical loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not insured under this Policy, contributing to the loss concurrently or in any other sequence:
- a. **Terrorism**, including action in hindering or defending against an actual or expected incident of **terrorism**, but this exclusion applies only when one of the following are attributed to an incident of **terrorism**:
    - (1) The **terrorism** is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive **contamination**; or
    - (2) Radioactive material is released, and it appears that one purpose of **terrorism** was to release such material; or
    - (3) The **terrorism** is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
    - (4) Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the **terrorism** was to release such materials; or
    - (5) Loss or damage to property located outside of the United States, unless there is a law in effect in the jurisdiction where the loss or damage occurs that expressly prohibits this exclusion; or
    - (6) The total of all damage to property, whether covered by this Policy or otherwise, exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, **we** will include all insured damage sustained by property of all persons and entities affected by the **terrorism** and business interruption (TIME ELEMENT) losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any **terrorism** exclusions. Multiple incidents of **terrorism** which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one (1) incident, for the purpose of determining whether the threshold is exceeded.

With respect to this item **2.a.(6)**, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of **terrorism** and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of **terrorism**, there is no coverage in this Policy.

However, this exclusion does not apply:

- (1) If **terrorism** results in fire, in which case **we** cover the direct physical loss or damage caused by the fire but only if there is a statute in effect in the jurisdiction where the loss or damage occurs that expressly prohibits the exclusion of fire losses resulting from **terrorism**. This exception is subject to all applicable Policy provisions including the LIMIT OF LIABILITY on the affected property. Such coverage for ensuing loss applies only to direct loss or damage by fire to **covered**

**property.** This coverage does not apply to insurance provided under any TIME ELEMENT coverages, or to fire legal liability coverage; or

(2) While the United States **Terrorism** Risk Insurance Act (TRIA), as amended, is in effect:

(a) To loss or damage caused by a “Certified Act of **Terrorism**” provided that **you** elected coverage for such, and only to the extent provided by the terms and conditions of the applicable CERTIFIED ACTS OF **TERRORISM** AND DISCLOSURE PURSUANT TO **TERRORISM** RISK INSURANCE ACT endorsement; or

(b) To loss or damage caused by **terrorism** that would have been certified as an “act of **terrorism**”, but was not certified solely because the total of all property and casualty insurance losses resulting from the act failed to exceed the \$5,000,000 “certified act of **terrorism**” threshold specified under TRIA.

b. Nuclear reaction or nuclear radiation or radioactive **contamination**. However, this exclusion does not apply if:

(1) The RADIOACTIVE **CONTAMINATION** PROPERTY DAMAGE COVERAGE AND LIMITATION applies but only to the extent provided; or

(2) Fire directly results from the nuclear reaction, nuclear radiation, or radioactive **contamination**, in which case **we** cover the physical loss or damage caused by the fire but only if there is a statute in effect in the jurisdiction where the loss or damage happens that expressly prohibits the exclusion of fire losses resulting from nuclear reaction, radiation or **contamination**.

c. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by any:

(1) Government or sovereign power (de jure or de facto);

(2) Military, naval or air force; or

(3) Agent or authority of any party specified in (1) or (2) above.

d. Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.

e. The unlawful possession, use, release, discharge, dispersal or disposal of any chemical, biological, viral, radioactive or similar agents or matter, whether in time of peace or war and regardless of who commits the act.

f. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.

g. Seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.

h. Risks of contraband, or illegal transportation or trade.

i. Any criminal, fraudulent or dishonest act, including theft, committed alone or in collusion with others:

(1) By **you** or any proprietor, partner, director, trustee, officer or employee of an Insured; or

- (2) By any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by **you** to do anything in connection with property insured under this Policy.

However, **we** do cover direct physical loss or damage intentionally caused by **your** employee or any individual specified in (2) above provided that said individuals acted without **your** knowledge.

j. Lack of the following services:

- (1) Incoming electricity, fuel, water, gas, steam or refrigerant;
- (2) Outgoing sewerage; or
- (3) Incoming or outgoing voice, data or video,

all when caused by an event away from the covered **location** except as provided in the ON/OFF PREMISES INTERRUPTION OF SERVICES coverages of this Policy. But, if the lack of such a service causes physical loss or damage of the type insured by this Policy at a covered **location**, then only that resulting damage is covered.

3. **We** do not cover the following, but, if direct physical loss or damage not excluded by this Policy results, then **we** cover that resulting damage only:
  - a. Faulty workmanship, material, construction or design.
  - b. Loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.
  - c. Deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect.
  - d. Settling, cracking, shrinking, bulging, or expansion of:
    - (1) Foundations (including any pedestal, pad, platform or other property supporting machinery)
    - (2) Floors
    - (3) Pavements
    - (4) Walls, including retaining walls
    - (5) Ceilings
    - (6) Roofs
  - e. Extremes or changes in temperature (except to machinery or equipment) or changes in relative humidity, all whether atmospheric or not.
  - f. Cumulative effects of smog, smoke, vapor, liquid and dust.
  - g. Insect, animal or vermin damage.
  - h. Loss or damage to the interior portion of buildings under construction caused by rain, sleet or snow, whether or not driven by wind, when the installation of the roof, walls or windows of such buildings has not been completed.
4. **We** do not cover the following unless directly resulting from a **covered loss**:

- a. **Contamination**, and any cost due to **contamination** including the inability to use or occupy property or any cost of making property safe or suitable for use or occupancy, except as provided elsewhere in this Policy.
- b. Shrinkage.
- c. Changes in color, flavor, texture or finish.
- d. Remediation, change, correction, repair or assessment of any date or time recognition in any **electronic data processing equipment** or media.
- e. Failure of **electronic data processing equipment** or media to correctly recognize, interpret, calculate, compare, differentiate, sequence, access or process data involving one or more dates or times.

#### D. PROPERTY DAMAGE COVERAGES AND LIMITATIONS

**We** provide the following PROPERTY DAMAGE COVERAGES AND LIMITATIONS for a **covered loss** as specified in the LIMITS OF LIABILITY Table in the Declarations, subject to the terms, conditions and exclusions of this Policy.

##### 1. ACCOUNTS RECEIVABLE

- a. **We** cover the following resulting from a **covered loss** to accounts receivable records located while anywhere within the Policy territory, including while in transit:
  - (1) Any shortage in the collection of accounts receivable.
  - (2) The interest charges on any loan to offset such impaired collection pending repayment of such uncollectible sum. Unearned interest and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted in determining the amount recoverable.
  - (3) The reasonable and necessary cost incurred for material and time required to re-establish or reconstruct accounts receivable records excluding any costs covered by any other insurance.
  - (4) Any other necessary and reasonable costs incurred to reduce the loss, to the extent the losses are reduced.
- b. Accounts receivable records include records stored as **electronic data**. In the event of loss, **you** will:
  - (1) Use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding accounts receivable.
  - (2) Reduce the loss by use of any property or service owned or controlled by **you** or obtainable from other sources.
  - (3) Reconstruct, if possible, accounts receivable records so that no shortage is sustained.
- c. The settlement of loss will be made within ninety (90) days from the date of the **covered loss**. All amounts recovered by **you** on outstanding accounts receivable on the date of loss will belong and be paid to **us** up to the amount of loss paid by **us**. All recoveries exceeding the amount paid will belong to **you**.
- d. **We** do not cover shortage resulting from:
  - (1) Bookkeeping, accounting or billing errors or omissions; or
  - (2) Alteration, falsification, manipulation; or

- (3) Concealment, destruction or disposal, of accounts receivable records committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property; but only to the extent of such wrongful giving, taking, obtaining or withholding.

## 2. BRANDS AND LABELS

In the event of a **covered loss** to **your** branded or labeled merchandise, and **we** elect to take all or any part of that property, **you** may at **our** expense:

- a. Stamp "salvage" on the property or its containers; or
- b. Remove or obliterate the brands or labels,

if doing so will not damage the property.

**You** must re-label such property or its containers to be in compliance with any applicable law.

## 3. COINSURANCE DEFICIENCY AND CURRENCY DEVALUATION

- a. **We** cover the deficiency in the amount of loss payable under **your local policy**, if any, and its renewals, issued by **us**, or by **our** subsidiaries, partners, or associated insurance companies, solely as the result of:

(1) The application of a coinsurance (or average) clause; or

(2) Official government devaluation of the currency in which the **local policy** is written,

for physical loss or damage of the type insured under such **local policy** to property of the type insured under this Policy.

- b. **You** agree to adjust the Policy values as a result of such devaluation within thirty (30) days after the date of the currency's devaluation. There is no coverage if **you** deliberately underinsure **your** property(ies).

## 4. CONTROL OF DAMAGED GOODS

**We** grant control to **you** of physically damaged **covered property** consisting of finished goods manufactured by or for **you** as follows:

- a. **You** will have full rights to the possession and control of damaged property in the event of physical damage to **your covered property** provided proper testing is done to show which property is physically damaged.
- b. Using reasonable judgment, **you** will decide if the physically damaged **covered property** can be reprocessed or sold.
- c. Property **you** determine to be unfit for reprocessing or selling will not be sold or disposed of except by **you**, or with **your** consent.

Any salvage proceeds received will reduce the recoverable loss.

## 5. COURSE OF CONSTRUCTION

- a. **We** cover direct physical loss or damage at a covered **location** to buildings or structures that **you** begin to construct during the Policy period.
- b. **We** also cover materials, supplies, machinery, equipment and fixtures:

- (1) At a covered **location** and intended for installation in the new construction;
  - (2) After such property has been delivered to **you** or **your** contractor, and while such property is located offsite at a storage **location**; or
  - (3) After such property has been delivered to **you** or **your** contractor, and while such property is in transit from a storage **location** to another storage **location** or to a covered **location**.
- c. This coverage only applies to the construction of **covered property you** intend to own or occupy once constructed.
  - d. This coverage does not apply to any property owned or rented by any contractor or subcontractor.

## 6. DATA, PROGRAMS OR SOFTWARE

- a. **We** cover direct physical loss or damage to **your electronic data**, computer programs or software, including direct physical loss or damage caused by the malicious introduction of a machine code or instruction, while anywhere within this Policy's territory, including:
  - (1) The cost of the following reasonable and necessary actions taken by **you** provided such actions are taken due to actual insured physical loss or damage to **electronic data**, computer programs or software:
    - (a) Actions to temporarily protect and preserve insured **electronic data**, computer programs or software.
    - (b) Actions taken for the temporary repair of insured physical loss or damage to **electronic data**, computer programs or software.
    - (c) Actions taken to expedite the permanent repair or replacement of such damaged property.
  - (2) **Your** reasonable and necessary cost to temporarily protect or preserve covered **electronic data**, computer programs or software against immediately impending direct physical loss or damage to **electronic data**, computer programs or software. In the event that there is no direct physical loss or damage, the costs covered under this item will be subject to the deductible that would have applied had there been such direct physical loss or damage.
- b. With respect to destruction, distortion or corruption caused by the malicious introduction of machine code or instruction, this PROPERTY DAMAGE COVERAGE AND LIMITATION will apply only when the *qualifying period* specified in the *Qualifying Period* Table in the Declarations is exceeded.
- c. Any amounts recoverable under this PROPERTY DAMAGE COVERAGE AND LIMITATION are excluded from coverage elsewhere in this Policy.
- d. This PROPERTY DAMAGE COVERAGE AND LIMITATION excludes loss or damage to **electronic data**, computer programs or software when they are stock in process, finished stock manufactured by **you**, raw materials, supplies or other merchandise not manufactured by **you**.
- e. With respect to this PROPERTY DAMAGE COVERAGE AND LIMITATION, the following additional exclusions apply:
  - (1) Errors or omissions in processing or copying; and
  - (2) Loss or damage to **electronic data**, computer programs or software from errors or omissions in programming or machine instructions.



## 7. DEBRIS REMOVAL

- a. **We** cover **your** reasonable and necessary costs to remove debris from a covered **location** that remains as a direct result of a **covered loss**.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION covers the costs of removal of contaminated **covered property** or the **contaminant** in or on **covered property** only if the **contamination**, due to the actual presence of **contaminant(s)**, results from a **covered loss**.
- c. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not cover the costs of removal of:
  - (1) Contaminated uninsured property; or
  - (2) The **contaminant** in or on uninsured property,whether or not the **contamination** results from a **covered loss**.

## 8. DECONTAMINATION COSTS

- a. **We** cover **your** decontamination costs directly resulting from a **covered loss** at a covered **location** subject to the following conditions:
  - (1) These decontamination costs must be a direct result of enforcement of the law or ordinance that is in force at the time of the loss regulating decontamination; and
  - (2) The amount **we** cover includes the increased cost to remove **your** contaminated **covered property** to comply with the law or ordinance.
- b. **We** do not cover costs required for removing contaminated uninsured property or the **contaminant** therein or thereon, whether or not the **contamination** resulted from a **covered loss**.

## 9. DEFENSE FOR PERSONAL PROPERTY OF OTHERS

- a. **We** cover the cost to defend that part of any suit against **you** alleging direct physical loss or damage of the type insured by this Policy to personal property of others of the type insured by this Policy, in **your** custody, and while at a covered **location**. **We** may without prejudice undertake any investigation, negotiation or settlement of any such claim or suit as **we** deem appropriate.
- b. **We** do not cover the cost to defend any suit against **you** when **you** are acting as a warehouseman, bailee for hire, or carrier for hire.

## 10. DEFERRED PAYMENTS

- a. **We** cover direct physical loss or damage to **personal property** of the type insured by this Policy sold by **you** under a conditional sale or trust agreement or any installment or deferred payment plan and after such property has been delivered to the buyer. Coverage is limited to the unpaid balance for such property. In the event of loss to property sold under deferred payment plans, **you** will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding amounts due or to regain possession of the property.
- b. **We** do not cover loss:
  - (1) Pertaining to products recalled including **your** costs to recall, test or to advertise such recall.
  - (2) From theft or conversion by the buyer of the property after the buyer has taken possession of such property.

(3) To the extent the buyer continues payments.

(4) Not within this Policy's territory.

## 11. DEMOLITION AND INCREASED COST OF CONSTRUCTION

a. **We** cover **your** reasonable and necessary costs that are described in Item **b.** below, actually incurred to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of **covered property** consisting of buildings, structures, machinery and equipment at a covered **location**, provided:

(1) Such law or ordinance is in force on the date of the **covered loss**;

(2) Its enforcement is a direct result of a **covered loss**; and

(3) The buildings, structures, machinery and equipment were in compliance with such law or ordinance, regardless of any lack of enforcement, prior to the **covered loss**.

b. This PROPERTY DAMAGE COVERAGE AND LIMITATION, as respects the property insured in Item **a.** above, covers:

(1) The cost incurred to demolish, repair or rebuild the physically damaged portion of such property with materials and in a manner to satisfy such law or ordinance; and

(2) The cost incurred:

(a) To demolish the physically undamaged portion of such property insured; and

(b) To rebuild it with materials and in a manner to satisfy such law or ordinance,

when the demolition of the physically undamaged portion of such property is required to satisfy such law or ordinance, as a result of a **covered loss**.

c. This PROPERTY DAMAGE COVERAGE AND LIMITATION excludes any costs incurred as a result of the enforcement of any law or ordinance regulating pollution.

d. The amount **we** cover for this PROPERTY DAMAGE COVERAGE AND LIMITATION at each covered **location** in any one (1) **occurrence** will not exceed the actual cost incurred in demolishing the physically damaged and undamaged portions of the property covered in item **a.** above plus:

(1) If rebuilt on the same site, the actual cost incurred in rebuilding there; or

(2) If rebuilt on another site, the lesser of:

(a) The actual cost incurred in rebuilding on the other site, excluding the cost of land; or

(b) The cost that would have been incurred to rebuild on the same site.

## 12. DIFFERENCE IN CONDITIONS/DIFFERENCE IN LIMITS

### a. DIFFERENCE IN CONDITIONS

If there is physical loss or damage in a **foreign location** where there is a **local policy** that applies at that **foreign location**, and due to the difference in the **local policy** terms, including a coinsurance or average clause, the **local policy** does not provide coverage for the loss or damage, **we** cover **your** loss or damage where coverage is provided under the terms and conditions of this Policy and when the **covered loss** or definitions or conditions set forth under this Policy and its endorsements are broader in meaning or scope than those of the **local policy**.

**b. DIFFERENCE IN LIMITS**

If there is physical loss or damage in a **foreign location** where there is a **local policy** that applies to such loss or damage in that **foreign location**, and such **local policy** covers, in whole or part, the same loss or damage as this Policy, **we** cover the difference between the applicable **local policy** limits of liability and the applicable LIMIT(S) OF LIABILITY in this Policy, provided that:

- (1) Coverage is provided under the terms and conditions of this Policy; and
- (2) The limits of liability under all **local policies** have been exhausted and the deductible(s) under all **local policies** have been applied.

**c. We** will not be liable for non-recovery under a **local policy** due to insolvency or any financial failure with respect to such **local policy**.

**d. You** agree that:

- (1) No coverage is provided if **you** are unable to recover in full any loss under any other insurance, if the inability to recover results from **your** failure to comply with any condition of such other insurance.
- (2) All **local policies** that are in force at the inception of this Policy will be maintained in full force and effect during the term of this Policy. Renewals or replacement of such **local policies** will not be more limited or restrictive than the expiring coverage.

**e.** Any coverage provided by the **local policy** that is not provided in this Policy does not extend to this Policy.

**f.** The following additional exclusions apply:

- (1) **We** do not cover any loss or damage at any **location** where this Policy acts as the **local policy**.
- (2) **We** do not cover loss or damage that is covered under any government or national program, pool or scheme.

**13. ERRORS AND OMISSIONS**

**a.** If direct physical loss or damage is not covered under this Policy solely because of an error or unintentional omission made by **you**:

- (1) In the description of where **covered property** is physically located; or
- (2) To include any **location**:
  - (a) Owned, rented or leased by **you** on the effective date of this Policy; or
  - (b) Purchased, rented or leased by **you** during the term of the Policy; or
- (3) That results in termination of the coverage provided by this Policy, except for cancellation due to nonpayment of premium,

**we** cover the amount **we** would have paid, including any TIME ELEMENT loss, had the error or omission not been made.

**b.** This coverage does not apply to the failure to report values, or the reporting of inaccurate values of **covered property**.

- c. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not apply if coverage is provided elsewhere in this Policy.
- d. **You** must report such errors or unintentional omissions to **us** in writing as soon as they are discovered.

#### 14. EXPEDITING EXPENSE

- a. **We** cover **your** reasonable and necessary costs:
  - (1) For the temporary repair of **covered property** from a **covered loss**; and
  - (2) To expedite the permanent repair or replacement of such damaged property.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not cover costs recoverable elsewhere in this Policy, including the cost of permanent repair or replacement of damaged property.

#### 15. FINANCIAL INTEREST COVERAGE

- a. **We** cover **your** financial loss resulting from a **covered loss** to property in a **prohibited jurisdiction** as respects **your** insurable interest and only to the extent the loss is not otherwise insured, provided the local law in the **prohibited jurisdiction** prohibits coverage under, or payment for loss under, nonadmitted insurance, Difference In Conditions Insurance or Difference In Limits Insurance. The most **we** cover is the amount that would have been payable under this Policy if local law allowed coverage under or payment for loss under NONADMITTED INSURANCE, DIFFERENCE IN CONDITIONS or DIFFERENCE IN LIMITS.
- b. Any subsidiary located in any **prohibited jurisdiction** where local law prohibits coverage under or payment for loss under NONADMITTED INSURANCE, DIFFERENCE IN CONDITIONS or DIFFERENCE IN LIMITS, is not party to or a beneficiary under this Policy and has no rights under it.
- c. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not extend to coverage provided elsewhere in this Policy.
- d. This PROPERTY DAMAGE COVERAGE AND LIMITATION applies only in the Policy territory.

#### 16. FINE ARTS

- a. **We** cover direct physical loss or damage to **your fine arts** while anywhere within this Policy's territory, including while in transit.
- b. The following additional exclusions apply:
  - We** do not cover:
    - (1) Loss or damage sustained from any repair, restoration, or retouching process;
    - (2) Breakage of art glass windows, statuary, marble, glassware, bric-a-brac, porcelains, and similar fragile articles, unless caused by fire, lightning, aircraft, theft and or attempted theft, windstorm, *EARTH MOVEMENT*, *FLOOD*, explosion, vandalism, collision, derailment or overturn of conveyance.

#### 17. FIRE DEPARTMENT SERVICE CHARGES

**We** cover the reasonable and necessary:

- a. Fire department firefighting charges imposed as a result of responding to a fire in, on or exposing the **covered property**.

- b. Costs incurred by **you** to restore and recharge fire protection systems following a **covered loss**.

#### 18. LAND AND WATER CLEANUP, REMOVAL AND DISPOSAL

- a. For uninsured property at a covered **location** consisting of land, water, or any other substance in or on land or water at a covered **location**, **we** cover **your** reasonable and necessary cost for the cleanup, removal and disposal of the actual presence of **contaminant(s)** from that property if the release, discharge or dispersal of such **contaminant(s)** is a result of a **covered loss**.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not apply:
  - (1) At any **location** insured for **personal property** only;
  - (2) At any **location**, or to any property, covered under the NEWLY ACQUIRED **LOCATIONS** or ERRORS AND OMISSIONS coverages provided by this Policy or at a **Miscellaneous Unnamed Location**; or
  - (3) If **you** fail to give **us** written notice within one hundred eighty (180) days after the loss.

#### 19. MISCELLANEOUS PERSONAL PROPERTY

- a. **We** cover direct physical loss or damage, that occurs away from a covered **location** but within the Policy's territory, to **personal property** of the type covered under this Policy, which is:
  - (1) Owned by **you**; or
  - (2) Owned by others and in **your** care, custody and control, but only to the extent **you** are obligated to insure it for direct physical loss or damage under the type of coverage provided under this Policy.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION excludes coverage that is provided elsewhere in this Policy.

#### 20. NEIGHBOR'S RECOURSE AND TENANT'S LIABILITY

- a. **We** cover:
  - (1) **Your** liability as a tenant under the articles of any civil or commercial code because of damage to **covered property** caused by or resulting from direct physical loss or damage;
  - (2) Loss **you** may incur under the articles of any civil or commercial code caused by or resulting from direct physical loss or damage to neighbor's property and co-tenants spreading from a covered **location**; or
  - (3) **Your** liability as landlord under articles of any civil or commercial code, for direct physical loss or damage to **personal property** of tenants resulting from construction defects or lack of maintenance.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION only applies to liability incurred in those countries in which the Napoleonic or a similar Civil or Commercial Code applies, including Belgium, France, the French Territories, Greece, Italy, Luxembourg, Portugal and Spain.

#### 21. NEWLY ACQUIRED LOCATIONS

- a. **We** cover physical loss or damage to property of the type insured from a loss of the type insured at any **location you** purchase, lease or rent after the inception date of this Policy.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION applies:

- (1) From the date of purchase, lease or rental,
- (2) Until the first of the following occurs:
  - (a) The **location** is bound by **us**;
  - (b) Agreement is reached that the **location** will not be insured under this Policy; or
  - (c) The time limit specified in the LIMITS OF LIABILITY Table in the Declarations has been reached. The time limit begins on the date of purchase, lease or rental.

## 22. NONADMITTED TAX LIABILITY

- a. **We** cover the net amount required to offset **your** local taxes on income with due consideration to any tax credit or tax relief that accrues, provided that the loss payment under this Policy cannot be made in the country where the loss happened. **We** cover the loss in the currency of this Policy in a country designated by **you** where such payment is legally permissible. **You** will cooperate with **us** in making every reasonable effort to pay the loss or portion of it in the country in which the loss happened.
- b. The actual payment under this coverage will be adjusted and reduced by all appropriate tax credits or tax relief entitled or received by **you** or the local entity where the loss happened provided that an income tax liability is incurred. Any payment under this coverage will be made only after completion and acceptance by **us** of audited tax returns for the period in question for both the country where a payment under this coverage is made and the country where the loss happened.

## 23. OFF PREMISES INTERRUPTION OF SERVICES – PROPERTY DAMAGE

- a. **We** cover physical loss or damage to **covered property** at a covered **location** when such physical loss or damage results from:
  - (1) The interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration, voice, data, video; or
  - (2) The interruption of outgoing sewerage service,by reason of a loss of the type insured by this Policy at the facilities of the supplier of such service located within this Policy's territory, that immediately prevents in whole or in part the delivery of such usable service.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION will apply only when the interruption exceeds the *qualifying period* specified in the *Qualifying Period* Table in the Declarations.
- c. For purposes of this PROPERTY DAMAGE COVERAGE AND LIMITATION, the *period of service interruption* is the period starting with the time when an interruption of specified services occurs; and ending when the service could be wholly restored.
- d. Additional General Provisions:
  - (1) **You** will immediately notify the suppliers of services of any interruption of any such services.
  - (2) **We** will not be liable if the interruption of such services is caused directly or indirectly by **your** failure to comply with the terms and conditions of any contracts **you** have for the supply of such specified services.
- e. **We** do not cover loss or damage caused by or resulting from the use of services provided by or through a satellite.

- f. Exclusion **C.3.e.** does not apply to this PROPERTY DAMAGE COVERAGE AND LIMITATION.

#### 24. PROFESSIONAL FEES

- a. **We** cover **your** reasonable costs for **your** employees or auditors, architects, accountants and engineers whom **you** hire to prepare and verify the details of a claim from a **covered loss**.
- b. Professional fees covered under this PROPERTY DAMAGE COVERAGE AND LIMITATION, however, do not include:
  - (1) Any fees or expenses of attorneys;
  - (2) Any fees or expenses of public adjusters, loss appraisers or any of their subsidiaries or associated entities;
  - (3) Fees based on a contingency; or
  - (4) Fees of loss consultants who provide consultation on coverage or negotiate claims.
- c. This PROPERTY DAMAGE COVERAGE AND LIMITATION is subject to the deductible that applies to the loss.

#### 25. PROTECTION AND PRESERVATION OF PROPERTY

- a. **We** cover **your** reasonable and necessary costs to temporarily protect or preserve **covered property** provided such actions are necessary due to actual, or to prevent immediately impending threat of, physical loss or damage of the type covered by this Policy to such **covered property**.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION is subject to the deductible provisions that would have applied had the physical loss or damage happened.

#### 26. RADIOACTIVE CONTAMINATION

- a. **We** cover radioactive **contamination** to property of the type insured by this Policy from a **covered loss**.

Radioactive **contamination** is:

- (1) Sudden and accidental radioactive **contamination**; or
- (2) Resultant radiation damage to **covered property**,

provided that such radioactive **contamination** arises out of radioactive material at a covered **location** and is used as part of **your** business activities.

- b. **We** do not cover radioactive **contamination** if:

- (1) The covered **location** contains:

- (a) A nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction; or
- (b) Any new or used nuclear fuel intended for or used in such a nuclear reactor.

- (2) The **contamination** arises from radioactive material located away from a covered **location**.

#### 27. TAX LIABILITY

**We** cover **your** increase in tax liability from a **covered loss** at a covered **location** if the tax treatment of:

- a. The profit portion of a loss payment involving finished stock manufactured by **you**; and/or
- b. The profit portion of a TIME ELEMENT loss payment;

is greater than the tax treatment of profits that would have been incurred had no loss happened.

## 28. TEMPORARY REMOVAL OF PROPERTY

a. When **covered property** is removed from a covered **location** for the purpose of being repaired or serviced or in order to avoid threatened physical loss or damage of the type insured by this Policy, **we** cover such property:

- (1) While at the premises to which such **covered property** has been moved; and
- (2) For direct physical loss or damage of the type insured by this Policy at the covered **location** from which such **covered property** was removed.

b. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not apply:

- (1) To **covered property** removed for normal storage, processing or preparation for sale or delivery; or
- (2) If coverage is provided elsewhere in this Policy or by any other insurance policy.

## 29. TRANSIT

a. **We** cover **personal property** not excluded elsewhere in this Policy while it is in transit within the Policy's territory:

- (1) Owned by **you**.
- (2) Shipped to customers under Free on Board (F.O.B) shipments, Free-Along-Side (F.A.S) shipments and Returned shipments. **Your** contingent interest is admitted.
- (3) Of others in **your** actual or constructive custody to the extent of **your** interest or legal liability.
- (4) Of others sold by **you** and **you** agreed prior to the loss to insure the **personal property** during course of delivery including:
  - (a) When shipped by **your** contract service provider or by **your** contract manufacturer to **you** or to **your** customer; or
  - (b) When shipped by **your** customer to **you** or to **your** contract service provider or to **your** contract manufacturer.

b. This PROPERTY DAMAGE COVERAGE AND LIMITATION starts from the time the property leaves the original point of shipment for transit, and continues while in the due course of transit until delivered, subject to the following conditions:

- (1) Coverage on export shipments not insured under ocean cargo policies ends when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies begins after discharge from overseas vessels or aircraft.



(2) If this Policy expires during the due course of transit, coverage is extended until the shipment is delivered to its final destination.

c. **We** also cover:

(1) General average and salvage charges on shipments covered while waterborne; and

(2) Direct physical loss or damage caused by or resulting from:

(a) Unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts.

(b) Improper parties having gained possession of property through fraud or deceit.

d. Additional General Provisions:

(1) This PROPERTY DAMAGE COVERAGE AND LIMITATION will not inure directly or indirectly to the benefit of any carrier or bailee.

(2) **You** have permission, without prejudicing this insurance, to accept:

(a) Ordinary bills of lading used by carriers;

(b) Released bills of lading;

(c) Undervalued bills of lading; and

(d) Shipping or messenger receipts.

(3) **You** may waive subrogation against railroads under side track agreements.

(4) Except as otherwise stated, **you** will not enter into any special agreement with carriers releasing them from their common law or statutory liability.

e. As respects this PROPERTY DAMAGE COVERAGE AND LIMITATION:

(1) The following additional exclusions apply:

This Policy excludes:

(a) Samples in the custody of salespeople or selling agents.

(b) Property insured under import or export ocean marine insurance.

(c) Waterborne shipments, unless:

(i) By inland water; or

(ii) By roll-on/roll-off ferries; or

(iii) By coastal shipments.

(d) Airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.

(e) Property of others, including **your** legal liability for it, hauled on vehicles owned, leased or operated by **you** when acting as a common or contract carrier.

(f) Any transporting vehicle

- (g) Property shipped between continents except by land or air within the Policy territory.
- f. **We** will value property covered under this PROPERTY DAMAGE COVERAGE AND LIMITATION as follows:
  - (1) Property shipped to or for **your** account will be valued at actual invoice to **you**. Included in the value are accrued costs and charges legally due. Charges may include **your** commission as selling agent.
  - (2) Property sold by **you** and shipped to or for the purchaser's account will be valued at **your** selling invoice amount. Prepaid or advanced freight costs are included.
  - (3) Property not under invoice will be valued:
    - (a) For **your** property, according to the valuation provisions of this Policy applying at the place from which the property is being transported; or
    - (b) For other property, at the **actual cash value** at the destination point on the date of loss, less any charges saved which would have become due and payable upon arrival at destination.

### 30. VALUABLE PAPERS AND RECORDS

- a. **We** cover physical loss or damage to **your valuable papers and records** from a **covered loss** at a covered **location**. **We** cover the value blank, plus the cost of copying from backup or from originals of a previous generation, and **your** reasonable and necessary costs to research, replace or restore the information lost or damaged thereon, except for **electronic data** and software. For **electronic data** and software, **we** cover the value of the blank media, and the cost of reproducing the **electronic data** and software from duplicates or originals of the previous generation of the data.
- b. This coverage does not apply to loss or damage to property that cannot be repaired or restored with like kind or quality.

## SECTION III – TIME ELEMENT

TIME ELEMENT loss as provided in the TIME ELEMENT COVERAGES and TIME ELEMENT COVERAGES AND LIMITATIONS:

- A. Is subject to and part of the applicable LIMIT OF LIABILITY that applies to **your** direct physical loss or damage but in no event for more than any LIMIT OF LIABILITY that is stated as applying to the specific TIME ELEMENT COVERAGE and/or TIME ELEMENT COVERAGES AND LIMITATIONS; and
- B. Will not increase the POLICY LIMIT OF LIABILITY and is subject to the Policy provisions, including applicable exclusions and deductibles,

all as shown in this section and elsewhere in this Policy.

### A. LOSS INSURED

- 1. **We** cover **your** actual loss sustained, as provided in the TIME ELEMENT COVERAGES and TIME ELEMENT COVERAGES AND LIMITATIONS, directly resulting from a loss of the type insured by this Policy:

- a. To property described elsewhere in this Policy and not otherwise excluded by this Policy,
- b. Used by **you**, or by others with whom **you** have a contract,
- c. At a covered **location** or while in transit as provided by this Policy,
- d. During the applicable PERIOD OF LIABILITY described in this section.

- 2. **We** cover TIME ELEMENT loss only to the extent it cannot be reduced through:

- a. The use of any property or service owned or controlled by **you**;
- b. The use of any property or service obtainable from other sources;
- c. Working extra time or overtime; or
- d. The use of inventory,

all whether at a covered **location** or at any other **location**. When measuring the actual loss sustained, the combined operating results of all of **your** associated, affiliated or subsidiary companies will be considered in determining the TIME ELEMENT loss.

- 3. **We** cover **your** reasonable and necessary expenses to reduce the loss otherwise payable under this section of this Policy. The amount of those recoverable expenses will not exceed the amount by which the insured loss has been reduced.
- 4. In determining the insured TIME ELEMENT loss, **we** will consider the experience of the business before and after and the probable experience during the PERIOD OF LIABILITY. **We** will consider any increase or decrease in demand for **your** goods or services during the PERIOD OF LIABILITY, even if such increase or decrease is from the same event that caused the **covered loss**.

### B. TIME ELEMENT COVERAGES

#### 1. YOUR OPTION

**You** have the option to make a claim based on either:

- a. *GROSS EARNINGS* and EXTENDED PERIOD OF LIABILITY; or
- b. *GROSS PROFIT*,

as described in the TIME ELEMENT section of this Policy and subject to the applicable terms and conditions as may be shown elsewhere.

Such option may be exercised at any time prior to the conditions set forth in the COMPANY OPTION clause in the LOSS CONDITIONS section of this Policy.

If such TIME ELEMENT loss involves more than one (1) covered **location**, including interdependency at one or more covered **locations**, that loss will be adjusted by using the single coverage option chosen above.

## 2. *GROSS EARNINGS*

- a. *GROSS EARNINGS* loss is the actual loss sustained by **you** due to the necessary interruption of **your** business during the PERIOD OF LIABILITY of the following:

Gross Earnings less all charges and expenses that do not necessarily continue during the interruption of production or suspension of business operations or services, plus all other earnings derived from the operation of the business.

**Ordinary payroll**, including taxes and charges dependent on the payment of wages, for a period of time not to exceed the number of consecutive days as specified in the LIMITS OF LIABILITY in the Declarations table immediately following the interruption of production or suspension of business operations or services, and only to the extent such payroll continues following the loss and would have been earned had no such interruption happened.

However, if **you** reduce the daily loss payable under **ordinary payroll**, either by:

- (1) providing gainful employment for, or
- (2) paying less than the normal salary rate to,

all or part of its employees, then the number of consecutive days of **ordinary payroll** may be extended. However, this provision will not increase **our** total liability beyond the amount **we** would have been liable for **ordinary payroll** costs without this provision.

**Ordinary payroll** does not cover any portion of salaries or wages included in Gross Earnings.

- b. *GROSS EARNINGS* will be calculated as follows:

- (1) For manufacturing operations: the net sales value of production less the cost of all raw stock, materials and supplies used in such production; or
- (2) For mercantile or non-manufacturing operations: the total net sales less the cost of merchandise sold, materials and supplies consumed in the operations or services rendered by **you**.

Any amount payable at selling price will be considered to have been sold to **your** regular customers and will be credited against net sales.

- c. In determining the amount **we** cover as the actual loss sustained, **we** will consider the continuation of only those charges and expenses that would have been earned had there been no interruption of production or suspension of business operations or services.

- d. If **you** would have operated at a deficit had no interruption of production or suspension of business operations or services occurred, the following applies:
- (1) For Gross Earnings, the extent to which charges and expenses would have been earned will be determined by subtracting the operating deficits from the charges and expenses that necessarily continue.
  - (2) For **ordinary payroll**, the extent payroll would have been earned will be determined by subtracting the excess, if any, of the operating deficit over the fixed charges that need to continue from such payroll.
- e. We cover TIME ELEMENT loss only to the extent that **you** are:
- (1) Wholly or partially prevented from producing goods or continuing business operations or services;
  - (2) Unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;
  - (3) Unable to continue **your** operations or services during the PERIOD OF LIABILITY; and
  - (4) Able to demonstrate a loss of sales for the operations, services or production prevented.

### 3. GROSS PROFIT

- a. *GROSS PROFIT* loss is the actual loss sustained by **you** of the following due to the necessary interruption of business during the PERIOD OF LIABILITY. **We cover your:**
- (1) *Reduction in Sales* is the sum produced by applying the *Rate of Gross Profit* to the amount by which the *sales* during the PERIOD OF LIABILITY will fall short of the *Standard Sales*. In determining the *Reduction in Sales*, any amount recovered under PROPERTY DAMAGE coverage at selling price will be credited against lost *sales*.
  - (2) **Ordinary payroll**, including taxes and charges dependent on the payment of wages, during the PERIOD OF LIABILITY only to the extent such payroll would have been earned had such loss not happened.

However, if **you** reduce the daily loss payable under **ordinary payroll**, either by:

- (a) Providing gainful employment for, or
- (b) Paying less than the normal salary rate to,

all or part of **your** employees, the number of consecutive days of **ordinary payroll** may be extended. This provision will not increase **our** total liability beyond the amount **we** would have been liable for **ordinary payroll** costs without this provision. **Ordinary payroll** does not cover any portion of salaries or wages included in *Net Profit* or *Insured Fixed Charges*.

- (3) *Increase in Cost of Doing Business* is the reasonable and necessary additional expenditure for the sole purpose of avoiding or diminishing the *Reduction in Sales* and a loss of **ordinary payroll** which, but for that expenditure, would have taken place during the PERIOD OF LIABILITY; but not exceeding the sum produced by applying the *Rate of Gross Profit* to the amount of the reduction thereby avoided, less any sum saved during the PERIOD OF LIABILITY with respect to *Insured Fixed Charges* as may cease or be reduced because of the interruption of business.

- b. *GROSS PROFIT*:

The amount produced by adding to the *Net Profit* the amount of *Insured Fixed Charges*, or if there is no *Net Profit*, the amount of *Insured Fixed Charges* less that proportion of any loss from business operations as the amount of *Insured Fixed Charges* bears to all fixed charges.

*Net Profit:*

The net operating profit (exclusive of all capital receipts and accruals and all outlay properly chargeable to capital) resulting from **your** business at the covered **locations** after due provision has been made for all fixed charges and other expenses including depreciation but before the deduction of any taxes on profits.

*Insured Fixed Charges:*

All fixed charges unless specifically excluded herein.

*Sales:*

The money paid or payable to **you** for goods sold and delivered and for services rendered in the conduct of the business at a covered **location**.

*Rate of Gross Profit:*

The *Rate of Gross Profit* earned on the *sales* during the twelve (12) full calendar months immediately before the date of the **covered loss**.

*Standard Sales:*

The *sales* during that period in the twelve months immediately before the date of the **covered loss** which corresponds with the PERIOD OF LIABILITY.

- c. In determining the actual loss sustained:
  - (1) If any fixed charges of the business are not insured hereunder, then, in computing the amount recoverable hereunder as *Increase in Cost of Doing Business*, that proportion only of the additional expenditure will be recoverable hereunder which the sum of the *Net Profit* and the *Insured Fixed Charges* bears to the sum of the *Net Profit* and all the fixed charges.
  - (2) If during the PERIOD OF LIABILITY goods will be sold or services will be rendered elsewhere than at the covered **locations** for the benefit of the business, either by **you** or by others on **your** behalf, the money paid or payable in respect of such *sales* or services will be included in arriving at the amount of *sales* during the PERIOD OF LIABILITY.
- d. **You** will act with due diligence and dispatch in repairing or replacing physically damaged buildings and equipment to the same or equivalent physical and operating conditions that existed prior to the damage; and take whatever actions are reasonable and necessary to minimize the loss payable hereunder.
- e. *GROSS PROFIT* Exclusions: As respects *GROSS PROFIT*, the TIME ELEMENT EXCLUSION **D.2** of this section does not apply and the following applies instead:

**We** do not cover any increase in loss due to damages for breach of contract or for late or non-completion of orders, or fines or penalties.
- f. Coverage under *GROSS PROFIT* for the *Reduction in Sales* due to contract cancellation will include only those *sales* that would have been earned under the contract during the PERIOD OF LIABILITY.

**4. EXTRA EXPENSE**

- a. **We** cover **your** reasonable and necessary extra costs of the following incurred during the PERIOD OF LIABILITY applicable:
  - (1) To temporarily continue as nearly normal as practicable the conduct of **your** business; and
  - (2) The temporary use of property or facilities of **yours** or others.
- b. **We** will reduce any recoverable loss under this coverage for any value remaining of any property used to temporarily continue **your** business.
- c. EXTRA EXPENSE does not include:
  - (1) Any loss of income.
  - (2) Costs that would have been incurred in conducting the business during the same period had no physical loss or damage happened.
  - (3) Costs of permanent repair or replacement of property that has been damaged or destroyed.
  - (4) Any expense recoverable elsewhere in this Policy.

## 5. LEASEHOLD INTEREST

- a. **We** cover the following:
  - (1) If the lease agreement requires continuation of rent as a result of a **covered loss**, and if the **covered property** is wholly or partially untenable or unusable, the actual rent payable while the **covered property** is untenable or until the lease is terminated, but not exceeding the unexpired term of the lease.
  - (2) If the **covered property** is partially untenable, **we** cover the proportion of the lease payment for that portion of the untenable **covered property**.
- b. If the lease is cancelled by the lessor pursuant to the lease agreement or by the operation of law, **we** cover the additional cost to rent similar space for the unexpired term of the lease for the damaged property. That loss will be computed at present value, compounded annually at the prime rate plus 2%, as published in the Wall Street Journal on the date the lease terminated. The additional cost will consider the excess rent paid for the same or similar replacement property over actual rent of the original lease, plus cash bonuses or advance rent paid (including maintenance or operating charges) for each month during the unexpired term of the lease.
- c. As respects LEASEHOLD INTEREST, the following applies:
  - (1) **We** do not cover loss directly resulting from physical loss or damage to **personal property**.
  - (2) TIME ELEMENT EXCLUSIONS **D.1.**, **D.2.** and **D.3.** do not apply and the following applies instead:

**We** do not cover any increase in loss resulting from the suspension, lapse or cancellation of any license, or from **you** exercising an option to cancel the lease; or from any act or omission by **you** that constitutes a default under the lease.

## 6. RENTAL INSURANCE

- a. **We** cover **your** actual loss sustained of rental income during the PERIOD OF LIABILITY for:
  - (1) The fair rental value of any portion of rental property occupied by **you**;

- (2) The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
  - (3) The rental income from the rented portions of such property according to written leases, contracts or agreements in force at the time of loss,
- all not to include non-continuing charges and expenses.

- b. RENTAL INSURANCE Exclusions: As respects RENTAL INSURANCE, TIME ELEMENT EXCLUSIONS **D.1.** does not apply and the following applies instead:

**We** do not cover any loss of rental income during any period in which the covered **location** would not have been tenantable for any reason other than a **covered loss**.

### C. PERIOD OF LIABILITY

- 1. The PERIOD OF LIABILITY applying to CONTINGENT TIME ELEMENT, *GROSS EARNINGS*, EXTRA EXPENSE and RENTAL INSURANCE is as follows:

- a. For building and equipment, the period:

- (1) Starting from the time of physical loss or damage of the type insured; and
- (2) Ending when with due diligence and dispatch the building and equipment could be:
  - (a) Repaired or replaced; and
  - (b) Made ready for operations,under the same or equivalent physical and operating conditions that existed prior to the damage.
- (3) Not to be limited by the expiration of this Policy.

- b. For building(s) and equipment covered under COURSE OF CONSTRUCTION:

- (1) The equivalent of the above period of time will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no physical damage happened; and
- (2) Due consideration will be given to the actual experience of the business after completion of the construction and startup.

- 2. The PERIOD OF LIABILITY for *GROSS EARNINGS* and EXTRA EXPENSE also includes the following:

- a. For stock-in-process and mercantile stock, including finished goods not manufactured by **you**, the time required with the exercise of due diligence and dispatch:

- (1) To restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and
- (2) To replace physically damaged mercantile stock.

- b. For raw materials and supplies, the period of time:

- (1) Of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but



(2) Limited to that period for which the damaged raw materials and supplies would have supplied operating needs.

c. Impounded Water:

(1) Used for any manufacturing purpose, including as a raw material or for power;

(2) Stored behind dams or in reservoirs; and

(3) On any covered **location**,

that is released as the result of physical damage of the type insured to such dam, reservoir or connected equipment, **our** liability for the actual interruption of production or suspension of operations or services due to inadequate water supply will not extend beyond the number of consecutive days, not to exceed the LIMIT OF LIABILITY specified in the Declarations after the damaged dam, reservoir or connected equipment has been repaired or replaced.

d. For physically damaged exposed films, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

e. For physically damaged or destroyed property covered under DATA, PROGRAMS OR SOFTWARE, the time to recreate or restore including the time for researching or engineering lost information.

3. The PERIOD OF LIABILITY applying to *GROSS PROFIT* is as follows:

a. The period starting from the time of physical loss or damage of the type insured and ending not later than the period of time specified in the LIMITS OF LIABILITY Table in the Declarations during which period the results of the business shall be directly affected by such damage, not to be limited by the expiration of this Policy.

b. For property under construction, the period starting on the date that production, business operation or service would have commenced if physical damage of the type insured had not happened and ending not later than the period of time specified in the LIMITS OF LIABILITY Table in the Declarations, during which period the results of the business shall be directly affected by such damage, not to be limited by the expiration of this Policy.

The *Rate of Gross Profit* and *Standard Sales* will be based on the experience of the business after construction is completed and the probable experience during the PERIOD OF LIABILITY.

4. The PERIOD OF LIABILITY does not include any additional time due to **your** inability to resume operations for any reason, including:

a. Making changes to equipment;

b. Making changes to the buildings or structures except as provided in the DEMOLITION AND INCREASED COST OF CONSTRUCTION clause in the PROPERTY DAMAGE section; and

c. Re-staffing or retraining employees.

If two or more PERIODS OF LIABILITY apply, such periods will not be cumulative.

**D. TIME ELEMENT EXCLUSIONS**

In addition to the exclusions elsewhere in this Policy, the following exclusions apply to TIME ELEMENT loss:

1. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:

- a. Physical loss or damage not insured by this Policy on or off of the covered **location**.
  - b. Planned or rescheduled shutdown.
  - c. Strikes or other work stoppage.
  - d. Any reason other than physical loss or damage insured under this Policy.
2. Any increase in loss due to:
- a. Suspension, cancellation or lapse of any lease, contract, license or orders.
  - b. Damages for breach of contract or for late or noncompletion of orders.
  - c. Fines or penalties.
  - d. Any other consequential or remote loss.
3. Any loss resulting from physical loss or damage to finished goods manufactured by **you**, or the time required for their reproduction.

#### E. TIME ELEMENT COVERAGES AND LIMITATIONS

TIME ELEMENT COVERAGES are extended to include the following, subject to all Policy terms, conditions and exclusions, and the time, distance and/or dollar amounts specified in the LIMITS OF LIABILITY Table in the Declarations:

##### 1. *ATTRACTION PROPERTY*

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE resulting from loss or damage of the type insured by this Policy to property of the type insured at an *attraction property* within the number of statute miles specified in the LIMITS OF LIABILITY Table in the Declarations and during the period of time that:
  - (1) Starts at the time such physical loss or damage happens;
  - (2) Ends when the *attraction property* is:
    - (a) Repaired or replaced; and
    - (b) Made ready for operations.
- b. As used in this TIME ELEMENT COVERAGE AND LIMITATION, the term *attraction property* is a property that:
  - (1) Is operated by others; and
  - (2) **You** depend on to attract customers to **your** covered **location**.

##### 2. CIVIL OR MILITARY AUTHORITY

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the *period of interruption* if an order of civil or military authority prohibits access to a covered **location** provided such order is caused by physical loss or damage of the type insured by this Policy at a covered **location** or within the number of statute miles specified in the LIMITS OF LIABILITY Table in the Declarations.
- b. This TIME ELEMENT COVERAGE AND LIMITATION does not apply to LEASEHOLD INTEREST.

- c. The *period of interruption* for this TIME ELEMENT COVERAGE AND LIMITATION will be the period of time:
  - (1) Starting at the time of such direct physical loss or damage; and
  - (2) Continuing until the order is lifted, or the time limit specified in the LIMITS OF LIABILITY Table in the Declarations expires, whichever happens first.

This period of time is part of and not in addition to any PERIOD OF LIABILITY applying to any coverage provided in the TIME ELEMENT section.

### 3. COMPUTER SYSTEMS NON PHYSICAL DAMAGE

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY directly resulting from the failure of **your electronic data processing equipment** or media to operate, provided that such failure is the direct result of a malicious act directed at **you**.
- b. This TIME ELEMENT COVERAGE AND LIMITATION will apply only when the *period of interruption* is in excess of the *qualifying period* specified in the *Qualifying Period* Table in the Declarations.
- c. As used above, the *period of interruption*:
  - (1) Is the period starting when **your electronic data processing equipment** or media fails to operate and ending when with due diligence and dispatch, **your electronic data processing equipment** or media could be restored to the same or equivalent operating condition that existed prior to the failure.
  - (2) Does not include the additional time to make changes to **your electronic data processing equipment** or media.

### 4. CONTINGENT TIME ELEMENT

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type insured by this Policy at *Direct Dependent Time Element Location(s)* and *Indirect Dependent Time Element Location(s)* located within the territory of this Policy.
- b. **You** agree to take every reasonable and necessary action to mitigate the loss payable hereunder.

c. As used in this Policy, *Direct Dependent Time Element Location(s)* are:

- (1) Any **location(s)** of a direct: customer, supplier, contract manufacturer or contract service provider to **you**; or
- (2) Any **location(s)** of any company under a royalty, licensing fee or commission agreement with **you**.

*Direct Dependent Time Element Location(s)* does not include **location(s)** that are covered **location(s)** under this Policy or the **location(s)** of any company directly or indirectly supplying to, or receiving from **you**, electricity, fuel, gas, water, steam, refrigeration, sewage, voice, data or video.

d. As used in this Policy, *Indirect Dependent Time Element Location(s)* are:

- (1) Any **location(s)** of any company that is a direct: customer, supplier, contract manufacturer or contract service provider to **your Direct Dependent Time Element Location(s)**.

*Indirect Dependent Time Element Location(s)* does not include **location(s)** that are covered **location(s)** under this Policy or the **location(s)** of any company directly or indirectly supplying to, or receiving from, the *Direct Dependent Time Element Location(s)* or the *Indirect Dependent Time Element Location(s)*, electricity, fuel, gas, water, steam, refrigeration, sewage, voice, data or video.

e. As respects CONTINGENT TIME ELEMENT:

- (1) Exclusion **D.3** in the TIME ELEMENT EXCLUSIONS does not apply.

## 5. CRISIS MANAGEMENT

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY if an order of civil or military authority prohibits access to a covered **location**, but only if such order is a direct result of a violent crime, suicide, attempted suicide or armed robbery at such covered **location**.
- b. As respects this TIME ELEMENT COVERAGE AND LIMITATION, coverage applies:

- (1) Only when the PERIOD OF LIABILITY is in excess of the *qualifying period* specified in the *Qualifying Period* Table in the Declarations; and
- (2) For up to the number of consecutive days specified in the LIMITS OF LIABILITY Table in the Declarations, not to exceed the specified LIMIT OF LIABILITY.

The PERIOD OF LIABILITY is the period of time when the time the civil or military authority prohibits access and continuing until the order is lifted, or the time limit specified in the LIMITS OF LIABILITY Table in the Declarations expires, whichever happens first.

## 6. DELAY IN STARTUP

**We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY due to the reasonable and necessary delay in startup of business operations resulting directly from physical loss or damage to **covered property** as provided under COURSE OF CONSTRUCTION.

## 7. EXTENDED PERIOD OF LIABILITY

- a. We cover the *GROSS EARNINGS* loss sustained due to the reduction in sales resulting from:

- (1) The interruption of business;
- (2) Commencing with the date on which our liability for loss resulting from interruption of business would terminate if this TIME ELEMENT COVERAGE AND LIMITATION had not been included in this Policy; and

(3) Continuing for such additional length of time as would be required with the exercise of due diligence and dispatch to restore **your** business to the condition that would have existed had no loss occurred, but no longer than the number of consecutive days specified in the LIMITS OF LIABILITY Table in the Declarations.

b. Coverage under this TIME ELEMENT COVERAGE AND LIMITATION for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the EXTENDED PERIOD OF LIABILITY described in Item 7.a. above.

c. As respects this TIME ELEMENT COVERAGE AND LIMITATION, Item D.2. in the TIME ELEMENT EXCLUSIONS in this section does not apply and the following applies instead:

This Policy does not insure against any increase in loss due to damages for breach of contract or for late or non-completion of orders, or fines or penalties.

## 8. INGRESS / EGRESS

a. **We** cover **your** actual loss sustained and EXTRA EXPENSE due to the necessary interruption of **your** business if ingress to or egress from a covered **location** is prevented, whether or not **your** premises or property is damaged, provided that such prevention is a direct result of physical loss or damage of the type insured to property of the type insured.

b. The *period of interruption* for this TIME ELEMENT COVERAGE AND LIMITATION will be the period of time starting at the time of such direct physical loss or damage, and continuing until ingress or egress is no longer prevented, or for the time limit specified in the LIMITS OF LIABILITY Table in the Declarations, whichever is less.

## 9. OFF PREMISES INTERRUPTION OF SERVICES – TIME ELEMENT

a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the period of service interruption at a covered **location** when the loss is caused by:

(1) The interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration, voice, data, video; or

(2) The interruption of outgoing sewerage service,

from physical loss or damage of the type insured, at the facilities of the supplier of such service located within this Policy's territory that immediately prevents in whole or in part the delivery of such usable services.

b. This TIME ELEMENT COVERAGE AND LIMITATION will apply only when the period of service interruption as described below is in excess of the *qualifying period* specified in the *Qualifying Period* Table in the Declarations.

c. The period of service interruption is:

(1) The period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be wholly restored and the **location** receiving the service could have resumed normal operations following the restoration of service under the same or equivalent physical and operating conditions that existed prior to the interruption of such services;

(2) Is limited to only those hours during which **you** could have used service(s) if it had been available;

(3) Does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).

d. Additional General Provisions:

(1) **You** will immediately notify the suppliers of services of any interruption of any such services.

(2) **We** will not be liable if the interruption of such services is caused directly or indirectly by **your** failure to comply with the terms and conditions of any contracts **you** have for the supply of such specified services.

e. **We** do not cover loss or damage caused by or resulting from the use of services provided by or through a satellite.

10. ON PREMISES INTERRUPTION OF SERVICES – TIME ELEMENT

a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY directly resulting from direct physical loss or damage of the type insured to the following property located at or within one-thousand (1,000) feet of a covered **location**:

(1) Electrical equipment and equipment used for the transmission of voice, data or video.

(2) Electrical, fuel, gas, water, steam, refrigeration, sewerage, voice, data or video transmission systems.

11. PROTECTION AND PRESERVATION OF PROPERTY TIME ELEMENT

a. **We** cover **your** actual loss sustained for a period of time not to exceed forty eight (48) hours prior to and forty eight (48) hours after **you** first took reasonable action for the temporary protection and preservation of property insured by this Policy provided such action is necessary to prevent immediately impending physical loss or damage of the type insured to such **covered property**.

b. This TIME ELEMENT COVERAGE AND LIMITATION is subject to the deductible provisions that would have applied had the direct physical loss or damage occurred.

12. RELATED LOCATIONS

If **you** report values at related **locations** used by **you** (e.g. branch stores, retail outlets and other facilities), but such related **locations** are not listed on the latest Schedule of Covered **Locations** submitted to, accepted by and on file with **us**, and if a TIME ELEMENT loss results at such related **locations** due to **covered loss**, **we** cover such resulting TIME ELEMENT loss in accordance with the terms and conditions of this Policy.

13. RESEARCH AND DEVELOPMENT

a. **We** cover **your** actual loss sustained of fixed charges and **ordinary payroll** directly attributable to the interruption of research and development project(s) that would not have produced income during the PERIOD OF LIABILITY resulting from a **covered loss**.

b. **We** cover these fixed charges only to the extent they continue after the **covered loss** and only during the PERIOD OF LIABILITY.

c. To the extent **you** are able to resume operations, **we** cover only that portion of the fixed charges related to that part of the research and development operation that has not yet been restored.

14. SOFT COSTS

a. **We** cover **your** actual loss sustained of *Soft Costs* during the *period of delay* directly resulting from a delay of completion of **covered property** under construction as provided under COURSE OF CONSTRUCTION as provided in the PROPERTY DAMAGE COVERAGES AND LIMITATIONS.

- b. *Soft Costs* are costs over and above those that are normal at a covered **location** undergoing renovation or in the course of construction, limited to the following:
- (1) Construction loan fees – **your** additional cost to rearrange loans necessary for the completion of construction, repairs or reconstruction including: the cost to arrange refinancing, accounting work necessary to restructure financing, legal work necessary to prepare new documents, charges by the lenders for the extension or renewal of loans necessary.
  - (2) Commitment fees, leasing and marketing expenses – the cost of returning any commitment fees received from prospective tenant(s) or purchaser(s), the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s).
  - (3) Additional fees for architects, engineers, consultants, attorneys and accountants needed for the completion of construction repairs or reconstruction.
  - (4) Property taxes, building permits, additional interest on loans, realty taxes and insurance premiums.
- c. *Period of delay* is the period of time between:
- (1) The date on which the construction, alteration, extension or renovation would have been complete in the absence of a **covered loss** to property under construction as provided under COURSE OF CONSTRUCTION as provided in the PROPERTY DAMAGE COVERAGES AND LIMITATIONS; and
  - (2) The date on which construction, alteration, extension or renovation is actually complete.

## SECTION IV – DESCRIBED LOSSES

**We** only cover the following DESCRIBED LOSSES as specified in the LIMITS OF LIABILITY Table in the Declarations, subject to the terms, conditions and exclusions of this Policy.

### A. EARTH MOVEMENT

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS as provided by this Policy, from a **covered loss** resulting from *EARTH MOVEMENT*.
2. **You** may elect when the time specified in the **OCCURRENCE** TIME SPECIFICATIONS begins.
3. *EARTH MOVEMENT* is:

Earthquake, landslide, subsidence or sinking, rising or shifting of the earth, avalanche, whether natural or man-made, or volcanic eruption; regardless of any other cause or event contributing concurrently or in any other sequence of loss.

However, physical loss or damage from fire, explosion, sprinkler leakage or *FLOOD* caused by *EARTH MOVEMENT* will not be considered to be loss by *EARTH MOVEMENT* within the terms and conditions of this Policy.

### B. EARTH MOVEMENT SPRINKLER LEAKAGE

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS as provided by this Policy, resulting from sprinkler leakage caused by *EARTH MOVEMENT*.

### C. EQUIPMENT BREAKDOWN

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS, as provided by this Policy if such loss or damage is caused by an *accident* to *covered equipment*.

The coverage provided in this DESCRIBED LOSS is limited to loss or damage caused by an *accident* to *covered equipment*. **We** will not pay for physical loss or damage from any other cause under this DESCRIBED LOSS.

The following coverages apply solely to Equipment Breakdown:

#### a. Spoilage Damage

**We** cover physical loss or damage caused by change in temperature or humidity or by the interruption of power, heat, air-conditioning, or refrigeration as the result of an *accident* to *covered equipment*.

#### b. Ammonia Contamination

**We** cover physical loss or damage to **covered property** contaminated by ammonia, including any salvage expense as a direct result of an *accident* to *covered equipment*. No coverage for Ammonia **Contamination** is available under DECONTAMINATION COSTS with respects to an *accident* to *covered equipment*.



## 2. Conditions

### a. Suspension

If coverage for Equipment Breakdown is provided by this Policy, and **we** discover a dangerous condition relating to an object, **we** may immediately suspend the insurance provided by this coverage for that *covered equipment* by written notice mailed or delivered to **you** either at **your** address or at the **location** of any object. Suspended insurance may be reinstated by **us**, but only by an endorsement issued as part of this Policy. **You** will be credited for the unearned portion of the premium paid for the suspended insurance, pro rata, for the period of suspension.

## 3. Valuation

If *covered equipment* requires replacement due to an *accident*, **we** cover **your** additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

- a. However, **we** do not cover more than 150% of what the cost would have been to repair or replace *covered equipment* with like kind and quality.
- b. This does not apply to any property subject to valuation based on **actual cash value**, nor does this provision increase any other applicable LIMIT OF LIABILITY.
- c. The PERIOD OF LIABILITY will not be increased by any of the above.

## 4. Definitions

- a. *Accident*. Physical loss or damage to *covered equipment* that necessitates its repair or replacement due to:

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical breakdown including rupture or bursting caused by centrifugal force;
- (3) Artificially generated electrical current, including electrical arcing that damages electrical devices, appliances or wires; or
- (4) Explosion of:
  - (a) Steam boiler
  - (b) Electric steam generator
  - (c) Steam piping
  - (d) Steam turbine
  - (e) Moving or rotating machinery when such explosion is caused by centrifugal force,

unless such loss or damage is otherwise excluded within this Policy.

*Accident* does not include:

- (5) Fire, including water or other means used to extinguish the fire;
- (6) Malfunction, misalignment, miscalibration, tripping off line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning or by the performance of maintenance;

- (7) Combustion explosion;
- (8) Discharge of molten material from equipment including the heat from such discharged materials;
- (9) Lightning;
- (10) Depletion, deterioration, rust, corrosion, erosion, settling, or wear or tear or any other gradually developing condition;
- (11) Defects, erasures, error limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to *covered equipment*;
- (12) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (13) Damage to any structure or foundation supporting the *covered equipment* or any of its parts;
- (14) Any loss or damage caused by or resulting from any type of electrical insulation breakdown test;
- (15) Any loss or damage caused by or resulting from any type of hydrostatic, pneumatic or gas pressure test;
- (16) The functioning of any safety or protective device; or
- (17) The cracking of any part on an internal combustion turbine exposed to the products of combustion.

**b. *Covered equipment:***

- (1) Equipment that generates, transmits, controls or utilizes energy; including electronic communications and data processing equipment; and
- (2) Equipment which, during normal usage, operates under vacuum or pressure, other than weight of contents.

*Covered equipment* does not mean or include:

- (3) **Electronic data;**
- (4) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (5) Insulating or refractory material;
- (6) Nonmetallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or other appropriate and approved code;
- (7) Catalyst;
- (8) Buried vessels or piping; waste, drainage or sewer piping; piping, valves or fittings forming part of a sprinkler or fire suppression system; water piping that is not part of a closed loop used to conduct heat or cooling from a boiler or a refrigeration or air conditioning system;
- (9) Structure, foundation, cabinet or compartment supporting or containing the *covered equipment* or part of the *covered equipment* including penstock, draft tube or well casing;
- (10) Vehicle or any *covered equipment* that is mounted on or used solely with a vehicle;

- (11) Dragline, excavation or construction equipment including any *covered equipment* that is mounted on or used solely with any one or more dragline(s), excavation or construction equipment;
  - (12) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, nonelectrical cable, chain, belt, rope, clutch plate, brake pad, nonmetal part or tool subject to periodic replacement;
  - (13) Cyclotron used for other than medical purposes, satellite or spacecraft including any *covered equipment* mounted on or used solely with any satellite or spacecraft;
  - (14) Equipment manufactured by **you** for sale.
- c. *Production machinery* is any machine or apparatus that processes, forms, cuts, shapes, grinds, or conveys raw materials, materials in process or finished products including any *covered equipment* that is mounted on or used solely with any one or more production machines or apparatus.

#### D. FLOOD

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS as provided by this Policy, from a **covered loss** resulting from *FLOOD*.
2. *FLOOD* is:
  - a. Surface waters; rising waters; storm surge, wave wash; waves; tsunami; tide or tidal water; the release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray therefrom; all whether driven by wind or not;
  - b. Sewer back-up resulting from any of the foregoing; or
  - c. Mudslide or mudflow caused by or resulting from surface water, runoff or accumulation of water on or under the ground;

regardless of any other cause or event, whether natural or man-made, contributing concurrently or in any other sequence of loss.

**Covered loss** from *FLOOD* associated with a storm or weather disturbance whether or not identified by name by any meteorological authority is considered to be *FLOOD* within the terms of this Policy. However, physical loss or damage from fire, explosion or sprinkler leakage caused by *FLOOD* will not be considered to be loss by *FLOOD* within the terms and conditions of this Policy.

#### E. NAMED STORM

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS as provided by this Policy, from a **covered loss** resulting from a *NAMED STORM*. However, physical loss or damage caused by fire, explosion, sprinkler leakage or *FLOOD* will not be considered loss by *NAMED STORM* within the terms and conditions of this Policy.
2. **You** may elect when the time specified in the **OCCURRENCE** TIME SPECIFICATIONS begins.

*NAMED STORM* is any storm or weather disturbance that is named by the U. S. National Oceanic and Atmospheric Administration (NOAA) or the U. S. National Weather Service or the National Hurricane Center or any authorized meteorological authority in the country where the storm or weather disturbance happened.

## SECTION V - GENERAL POLICY CONDITIONS

### A. ASSIGNMENT

**Your** assignment of this Policy will not be valid except with **our** written consent.

### B. CANCELLATION

1. **You** 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 **you** written notice of cancellation at least:
  - a. ten (10) days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
  - b. thirty (30) days or the number of days specified in the CANCELLATION TIME SPECIFICATIONS, whichever is greater, before the effective date of cancellation if **we** cancel for any other reason.
3. **We** will mail or deliver **our** written notice of cancellation to **your** last mailing address known to **us**.
4. **Our** written notice of cancellation will state the effective date of cancellation and the Policy period will end on that date.
5. If this Policy is cancelled, **we** will send **you** any premium refund due. If **we** cancel, the refund will be pro rata. If **you** cancel, the refund may be less than pro rata. The cancellation will be effective even if **we** have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### C. CONCEALMENT, MISREPRESENTATION OR FRAUD

This entire Policy is void, if with the actual intent to deceive

1. **You**;
2. **Your** representatives; or
3. Any insured;

commit fraud or conceal or misrepresent a fact or circumstance concerning:

- a. This Policy;
- b. The **covered property**;
- c. **Your** interest in the **covered property**; or
- d. A claim under this Policy.

#### D. CONFORMITY TO STATUTES

Any provisions required by law to be included in policies issued by **us** shall be deemed to have been included in this Policy.

If the provisions of this Policy conflict with the laws of any jurisdictions in which this Policy applies, and if certain provisions are required by law to be stated in this Policy, this Policy shall be read so as to eliminate such conflict or deemed to include such provisions for covered **locations** within such jurisdictions.

#### E. INSPECTION

1. During the period of this Policy, **we** will be permitted, but not obligated, to inspect the **covered property**. **Our** right to inspect, the performance of or failure to inspect, and any report arising out of an inspection will not constitute an undertaking or imply that the property is safe, healthful, or in compliance with laws, regulations, codes or standards.
2. 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.

**We** will have no liability to **you** or others because of any inspection or failure to inspect, or on account of anyone's use or reliance upon any report or other information generated during the course of, or as a result of any inspection.

#### F. LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS

1. When specified in the Policy or in Certificates of Insurance on file with **us**, **we** cover loss to specified property insured under this Policy to each specified Lender Loss Payee (hereinafter referred to as Lender) as its interest may appear, and to each specified Mortgagee as its interest may appear.
2. The interest of the Lender or Mortgagee (as the case may be) in property insured under this Policy will not be invalidated by:
  - a. Any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.
  - b. Foreclosure, notice of sale, or similar proceedings with respect to the property, but only to the extent of a deficiency as provided by state law.
  - c. Change in the title or ownership of the property.
  - d. Change to a more hazardous occupancy.

The Lender or Mortgagee will notify **us** of any known change in ownership, occupancy, or hazard and, within ten (10) days of **our** written request, may pay the increased premium associated with such known change. If the Lender or Mortgagee fails to pay the increased premium, all coverage under this Policy will cease.

3. If this Policy is cancelled at **your** request or by the request of **your** agent, the coverage for the interest of the Lender or Mortgagee will terminate ten (10) days after **we** send to the Lender or Mortgagee written notice of cancellation, unless:
  - a. Sooner terminated by authorization, consent, approval, acceptance, or ratification of **your** action by the Lender or Mortgagee, or its agent.
  - b. This Policy is replaced by **you**, with a Policy providing coverage for the interest of the Lender or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement Policy, notwithstanding any other provision of this Policy.

4. **We** may cancel this Policy and/or the interest of the Lender or Mortgagee under this Policy, by giving the Lender or Mortgagee written notice thirty (30) days or the number of days specified in the CANCELLATION TIME SPECIFICATIONS, whichever is greater, prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this Policy, **we** may cancel this Policy for such non-payment, but will give the Lender or Mortgagee written notice ten (10) days prior to the effective date of cancellation. If the Lender or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this Policy will cease.
5. If **we** pay the Lender or Mortgagee for any loss, and deny payment to the debtor, mortgagor or owner, **we** will, to the extent of the payment made to the Lender or Mortgagee be subrogated to the rights of the Lender or Mortgagee under all securities held as collateral to the debt or mortgage. No subrogation will impair the right of the Lender or Mortgagee to sue or recover the full amount of its claim. At **our** option, **we** may pay to the Lender or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Lender or Mortgagee to **us**, and the remaining debt or mortgage will be paid to **us**.
6. If **you** fail to render proof of loss, the Lender or Mortgagee, upon notice of **your** failure to do so, will render proof of loss within sixty (60) days of notice and will be subject to the provisions of this Policy relating to APPRAISAL, COMPANY OPTION, and SUIT AGAINST THE COMPANY.
7. In the event of a claim, upon request by **us**, the Lender or Mortgagee will cooperate in any claim investigation.
8. In no event will the amount payable to a Lender or Mortgagee exceed the amount which would otherwise have been payable to **you**.

#### G. LIBERALIZATION

If during the period that insurance is in force under this Policy, any filed rules or regulations affecting the same are revised by statute in any State or jurisdiction within the United States of America so as to broaden the insurance without additional premium charge, such extended or broadened insurance will inure to **your** benefit within such jurisdiction, effective the date of the change specified in such statute.

#### H. NO REDUCTION BY LOSS

Except for those coverages written with an **annual aggregate** LIMIT OF LIABILITY, **we** cover a **covered loss** without reducing any other applicable LIMIT OF LIABILITY. The reinstatement of any exhausted **annual aggregate** is not permitted unless authorized by **us** in writing.

#### I. NONADMITTED INSURANCE

1. **We** provide primary insurance coverage only for those **foreign locations** covered under this Policy that do not have other primary or **local policy** insurance.
2. The insurance provided by this Policy may be considered to be nonadmitted insurance in some of the **foreign locations** in which coverage is provided. In such countries **you** may be required by local jurisdiction(s) to purchase compulsory insurance from locally admitted insurance carriers and **we** and **our** subsidiaries, partners or associated insurance companies will not be responsible for any fines, penalties, taxes or other costs imposed by any jurisdiction on any party for **your** failure to do so.
3. Where this Policy is nonadmitted insurance, **we** and **our** subsidiaries, partners or associated insurance companies are not responsible for providing any locally required bonds, Certificates of Insurance, Loss Payable Endorsements, Mortgagee Endorsements or any other documents as evidence of insurance.
4. This Policy does not substitute for any local compulsory insurance which may be required by any jurisdiction and the placement of such compulsory insurance is the responsibility of **you** or **your** agent. If **you** or **your** agent have not arranged or do not arrange the placement of compulsory admitted insurance

in those jurisdictions which require it, the insurance afforded under this Policy will respond to physical loss or damage as if such compulsory insurance had been placed.

#### J. NONRENEWAL

1. If **we** decide not to renew this Policy, **we** will mail or deliver a written notice of nonrenewal to **you** at least sixty (60) days before the expiration date of this Policy. Notice will be sent to **your** last mailing address known to **us**. **We** will state the reason for nonrenewal.
2. Proof of mailing will be sufficient evidence of notice.

#### K. OTHER INSURANCE

1. **We** will not be liable if, at the time of loss or damage, there is any other insurance that would apply in the absence of this Policy; except that this Policy will apply only as excess or DIFFERENCE IN CONDITIONS / DIFFERENCE IN LIMITS and in no event as contributing insurance, and then only after all other insurance has been exhausted, notwithstanding paragraph **5.** below.
2. **We** will not be liable if, at the time of loss or damage, there is any insurance with the National Flood Insurance Program (NFIP), except that this Policy shall apply only as excess and in no event as contributing insurance, and then only after all NFIP insurance has been exhausted.
3. **We** will not be liable if, at the time of loss or damage, there is any insurance for the construction of new buildings and additions under a specific policy for the construction of such new buildings and additions, except that this Policy shall apply only as excess and in no event as contributing insurance, and then only after all specific insurance has been exhausted.
4. **We** will not be liable if, at the time of loss or damage, there is any insurance for stock under a specific policy for such stock, except that this Policy shall apply only as excess and in no event as contributing insurance, and then only after all specific insurance has been exhausted.
5. If this Policy is deemed by law to contribute to a loss with other insurance, **we** will pay only **our** proportionate share of the loss, up to the applicable LIMIT OF LIABILITY. **Our** share will be the proportion that the applicable LIMIT OF LIABILITY of this Policy bears to the total applicable LIMITS OF LIABILITY available from all insurance.
6. **You** are permitted to have other insurance over any LIMITS OF LIABILITY specified in this Policy.
7. The existence of such insurance will not reduce any LIMIT OF LIABILITY in this Policy.
8. To the extent this Policy replaces another Policy, coverage under this Policy shall not become effective until such other Policy has terminated.
9. **You** are permitted to have other insurance for all, or any part, of any deductible in this Policy. The existence of such other insurance will not prejudice recovery under this Policy. If the limits of liability of such other insurance are greater than this Policy's applicable deductible, this Policy's insurance will apply only as excess and only after such other insurance has been exhausted.

#### L. PAIR, SET OR PARTS

In the event of a **covered loss** to an article that is part of a pair or set, **our** payment for that loss will be:

1. The cost to repair or replace any part to restore the pair or set to its value before the loss; or
2. The difference between the value of the pair or set before and after the loss.

In no event will the loss of part of a pair or set be regarded as a total loss of the pair or set.

## M. POLICY MODIFICATION

This Policy contains all of the agreements between **you** and **us** concerning this insurance. **You** and **we** may request changes to this Policy. Only endorsements issued by **us** and made a part of this Policy can change this Policy.

Notice to any agent or knowledge possessed by any agent or by any other person will not create a waiver or change any part of this Policy or prevent **us** from asserting any rights under the Policy.

## N. PROVISIONS APPLICABLE TO SPECIFIED FOREIGN LOCATIONS

### 1. Australia

**We** do not cover:

- a. Loss or damage caused by any event that is a Declared Terrorist Incident under the **Terrorism Insurance Act 2003** in Australia, regardless of any cause or event contributing concurrently or in any other sequence to the loss.
- b. Any TIME ELEMENT loss at any covered **location** resulting from **a.** above.

### 2. Belgium

**We** do not cover:

- a. Loss or damage caused by any event that is defined as **terrorism** in accordance with the Law of 1 April 2007 in Belgium, regardless of any cause or event contributing concurrently or in any other sequence to the loss.
- b. Coverage provided, in accordance with the terms and conditions of the **Terrorism Reinsurance and Insurance Pool Statute** is excluded from coverage under this Policy.
- c. Any TIME ELEMENT loss at any covered **location** resulting from **a.** or **b.** above.

### 3. France and the French Territories

**We** do not cover:

- a. Loss or damage caused by any event declared as a natural disaster pursuant to French Law No. 82-600 of 13 July 1982 as amended by subsequent legislation; or
- b. Loss or damage directly or indirectly caused by any *act of terrorism* in France and in French Territories regardless of any cause or event contributing concurrently or in any other sequence to the loss.

As used herein only, the term *act of terrorism* means any act defined in Article 421-1 and Article 421-2 of the French Penal Act and any subsequent regulations.

- c. Any TIME ELEMENT loss at any covered **location** resulting from **a.** or **b.** above.



#### 4. Germany

**We** do not cover:

a. Loss or damage caused by **sturmflut** in:

- (1) Schleswig-Holstein;
- (2) Niedersachsen;
- (3) Mecklenburg-Vorpommern;
- (4) Bremen; and
- (5) Hamburg;

all in Germany.

b. Any TIME ELEMENT loss at any covered **location** resulting from a. above.

#### 5. Great Britain

**We** do not cover:

a. In respect of England, Wales and Scotland only, but not the territorial seas adjacent thereto as defined by the Territorial Sea Act of 1987, loss or damage caused by:

- (1) Any *act of terrorism*, regardless of any other cause or event contributing concurrently or in any other sequence to such *act of terrorism*; and
- (2) Any action taken:
  - (a) In controlling, preventing or suppressing any *act of terrorism*; or
  - (b) In any other way related to any *act of terrorism*.

As used herein only, the term *act of terrorism* means any act of persons acting on behalf of, or in connection with, any organization which carries out activities directed towards the overthrowing or influencing, by force or violence, of the government of the United Kingdom or any other government de jure or de facto.

b. Any TIME ELEMENT loss at any covered **location** resulting from a. above.

#### 6. Namibia and South Africa

**We** do not cover:

a. Loss or damage in Namibia or South Africa caused by any event for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any other similar Act operative in Namibia or South Africa; regardless of any cause or event contributing concurrently or in any other sequence to the loss; or

b. Any TIME ELEMENT loss at any covered **location** resulting from a. above.

Conditions of payment or delays in payment under such Act does not nullify this exclusion.

## 7. Netherlands

**We do not cover:**

- a. Loss or damage caused by any event that is defined as **terrorism** in accordance with Dutch **Terrorism** Risk Reinsurance Company's terms and conditions, regardless of any cause or event contributing concurrently or in any other sequence to the loss.
- b. Any difference in limit between loss recoverable from Dutch **Terrorism** Risk Reinsurance Company (NHT) and this Policy is not recoverable under this Policy.
- c. Loss or damage caused by or resulting from the failure or overflowing of dikes, dams, floodgates or other similar works, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss. However, if there is ensuing physical loss or damage by fire or explosion, the exclusion does not apply to the loss or damage caused by the fire or explosion; or
- d. Any TIME ELEMENT loss at any covered **location** resulting from **a.**, **b.** or **c.** above.

## 8. Northern Ireland

**We do not cover:**

- a. Loss or damage in Northern Ireland caused by any event which falls under the Criminal Damage (Compensation) (Northern Ireland) Order 1977 (No. 1247 (N.I. 14)) regardless of any other cause or event contributing concurrently or in any other sequence; and
- b. Any TIME ELEMENT loss at any covered **location** resulting from **a.** above.

Conditions of payment or delays in payment under such Order does not nullify this exclusion.

## 9. Norway

**We do not cover:**

- a. Loss or damage in Norway caused by any event which falls under the Norwegian Natural Damage Insurance Act (Act. No. 70 of June 16, 1989) as amended by subsequent legislation regardless of any other cause or event contributing concurrently or in any other sequence; or
- b. Any TIME ELEMENT loss at any covered **location** resulting from **a.** above.

Conditions of payment or delays in payment under such Act does not nullify this exclusion.

## 10. Spain

**We do not cover:**

- a. Loss or damage in Spain or in any Spanish Territory which:
  - (1) Falls under the regulation of the Consorcio de Compensacion de Seguros (Consorcio); and
  - (2) Is declared by the Consorcio to be within the conditions of the coverage it provides;
- b. Loss or damage in Spain or any Spanish Territory directly or indirectly caused by or through or in consequence of any events leading to the declaration of a state of emergency, otherwise known as Calamidad Nacional, by the Spanish Government; or

- c. Any TIME ELEMENT loss at any covered **location** resulting from **a.** or **b.** above.

Conditions of payment or delays in payment by the Consorcio or by the Spanish Government, in the case of Calamidad Nacional, does not nullify this exclusion.

#### O. TITLES

The titles of the paragraphs of this Policy and of any endorsements attached to it are only for reference. They do not affect the terms to which they relate.

#### P. TRANSFER OF RIGHTS AND DUTIES

**Your** rights and duties under this Policy may not be transferred without us giving written consent.

#### Q. VACANCY

1. If any of **your real property** is vacant at the inception of this Policy, or becomes vacant, and remains vacant for more than sixty (60) consecutive days, during the Policy period, **you** must:
  - a. Notify **us** in writing of the vacancy prior to loss or damage; and
  - b. Maintain in complete working order the protective safeguards present prior to the vacancy. Protective safeguards include:
    - (1) Automatic sprinkler systems;
    - (2) Fire alarm systems;
    - (3) Guard or watchman services;
    - (4) Burglary systems; and
    - (5) Monitoring systems.
2. If the above requirements are not met, then in addition to the other terms, conditions, limitations and exclusions in this Policy, **we** will:
  - a. Not pay for any loss or damage caused by or resulting from any of the following:
    - (1) Breakage of building glass;
    - (2) Mold, mildew or fungus;
    - (3) Sprinkler leakage, unless the system has been protected against freezing;
    - (4) Theft or attempted theft;
    - (5) Vandalism;
    - (6) Malicious mischief; or
    - (7) Water damage.
  - b. Not pay under DEMOLITION AND INCREASED COST OF CONSTRUCTION;
  - c. Value the loss or damage for the vacant **real property** (including any loss or damage to **personal property**) at the time of loss at the lesser of:
    - (1) The **actual cash value**;
    - (2) The actual cost to repair; or
    - (3) The selling price, less all saved expenses, if it was being offered or listed for sale at the time of loss.
3. **Real property** is considered vacant when it does not contain sufficient property and personnel to conduct **your** customary business operations.
4. **Real property** is not considered vacant during its ongoing construction or renovation.

## R. VALUATION

1. Adjustment of the physical loss or damage amount under this Policy will be computed as of the date of loss or damage at the place of the loss or damage. Unless stated otherwise in a PROPERTY DAMAGE COVERAGE AND LIMITATION, adjustment of physical loss or damage to **covered property** will be subject to the following:
  - a. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.
  - b. On finished goods manufactured by **you**, the regular cash selling price, less all discounts and charges to which the finished goods would have been subject had no physical loss or damage happened.
  - c. On raw materials, supplies or merchandise not manufactured by **you**:
    - (1) If repaired or replaced, **your** actual expenditure in repairing or replacing the damaged or destroyed property; or
    - (2) If not repaired or replaced, the **actual cash value**.
  - d. On exposed films, records, manuscripts and drawings that are not **valuable papers and records**, the value blank plus the cost of copying information from back-up or from originals of a previous generation. These costs will not include research, engineering or any costs of restoring or recreating lost information.
  - e. On property that is:
    - (1) Damaged by fire that directly results from **terrorism** or nuclear reaction; and
    - (2) Is located in a jurisdiction that has a statute that expressly prohibits the exclusion of fire losses resulting from **terrorism** or nuclear reaction,the **actual cash value** of the fire damage. Any remaining fire damage not attributable to **terrorism** or nuclear reaction shall be adjusted according to the terms and conditions of the Valuation clause(s) in this section of the Policy.
  - f. On computer equipment of others which **you** are required to insure for direct physical loss or damage while being installed, maintained or repaired, the cost to replace with new if so specified in the contract between **you** and **your** customer.
  - g. On Data, Programs and Software, the actual cost incurred to repair, replace or restore data, programs or software including the costs to recreate and research.
  - h. On **Fine Arts**, the loss amount will not exceed the lesser of the following:
    - (1) The cost to repair or restore such property to the physical condition that existed on the date of loss;
    - (2) The cost to replace; or
    - (3) The stated value on file with **us**.
  - i. On all other property, the lesser of the following:
    - (1) The cost to repair.

- (2) The cost to rebuild or replace on the same site with new materials of like size, kind and quality.
  - (3) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss.
  - (4) The selling price of **real property** or machinery and equipment, other than stock, offered for sale on the date of loss.
  - (5) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
  - (6) The increased cost of demolition, if any, directly resulting from insured loss, if such property is scheduled for demolition.
  - (7) The unamortized value of improvements and betterments, if such property is not repaired or replaced at **your** expense.
  - (8) The **actual cash value** if such property is:
    - (a) Useless to **you**; or
    - (b) Not repaired, replaced or rebuilt on the same or another site within two (2) years from the date of loss, unless such time is extended by **us**.
2. **You** may elect not to repair or replace the **covered property** lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or replacement cost basis if the proceeds of such loss settlement are expended on other capital expenditures related to **your** operations within two (2) years from the date of loss. As a condition of collecting under this provision, such expenditure must be unplanned as of the date of loss and be made at a covered **location** under this Policy. This provision does not extend to DEMOLITION AND INCREASED COST OF CONSTRUCTION or to property scheduled for demolition at the time of loss.
3. **We** will not pay more than **your** financial interest in the **covered property**.

## SECTION VI – LOSS CONDITIONS

### A. ABANDONMENT OF PROPERTY

**You** may not abandon property to **us**.

### B. APPRAISAL

1. If **you** and **we** fail to agree on the amount of a loss, either party may demand that the disputed amount be submitted for appraisal. A demand for appraisal will be made in writing within sixty (60) days after **our** receipt of proof of loss. Each party will then choose a competent and disinterested appraiser. Each party will notify the other of the identity of its appraiser within thirty (30) days of the written demand for appraisal.
2. The two (2) appraisers will choose a competent and disinterested umpire. If the appraisers are unable to agree on an umpire within fifteen (15) days, **you** or **we** may petition a judge of a court of record in the state where the **covered loss** occurred, to select an umpire.
3. The appraisers will then determine the amount of the loss or damage. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the amount of **our** payment for the loss or damage. If the appraisers fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two (2) of these three (3) will determine the amount of loss or damage.
4. Each appraiser will be paid by the party that selects him or her. Other expenses of the appraisal and compensation of the umpire will be paid equally by **you** and **us**.

### C. COLLECTION FROM OTHERS

**We** will reduce any payment to **you** for a **covered loss** to the extent **you** have collected for that loss from others.

### D. COMPANY OPTION

1. In the event of **covered loss**, **we** may, at **our** option, either:
  - a. Pay the value of **covered property** lost, damaged or destroyed as set forth in VALUATION above;
  - b. Pay the cost of repairing or replacing the **covered property** lost, damaged or destroyed;
  - c. Take all or any part of the **covered property** at any agreed valuation; or
  - d. Repair, rebuild or replace the **covered property** with other property of like kind and quality.
2. **We** will give notice of **our** intentions within thirty (30) days after receiving the sworn statement of loss or as required by law.

### E. DUTIES AFTER A LOSS

In case of loss **you** will:

1. Give **us** immediate written notice of the loss;
2. Give notice of such loss to the proper authorities if the loss may be due to a violation of the law;
3. As soon as possible, give **us** a description of the property involved and how, when and where the loss happened;

4. Take all reasonable steps to protect the **covered property** from further damage;
5. Promptly separate the damaged property from the undamaged property, and keep it in the best possible order for examination;
6. Furnish a complete inventory of the lost, damaged and destroyed property, showing in detail the quantity, and amount of loss claimed under the valuation provision of the Policy;
7. Keep an accurate record of all repair costs;
8. Keep all bills, receipts and related documents that establish the amount of loss;
9. As often as may reasonably be required:
  - a. Permit **us** to inspect the damaged property and take samples for inspection, testing and analysis.
  - b. Produce for inspection and copying, all of **your** books of account, business records, bills and invoices.
  - c. Permit **us** to question, under oath, **you** and any of **your** agents, employees, or representatives involved in the purchase of this insurance or the preparation of **your** claim, including any public adjusters and any of their agents, employees or representatives, and verify **your** answers with a signed acknowledgment.
10. Submit to **us**, within ninety (90) days from the date of loss, unless **we** extend the time in writing, a signed, sworn Proof of Loss that states to the best of **your** knowledge and belief:

The time and cause of the loss;

- a. **Your** interest and the interest of all others in the property involved;
- b. Any other policies of insurance that may provide coverage for the loss;
- c. Any changes in title or occupancy of the property during the Policy period; and
- d. The amount of **your** claimed loss.

**You** shall also submit with the Proof of Loss:

- (1) A complete inventory of the lost, damaged and destroyed property, showing in detail the quantity, and amount of loss claimed as specified in the valuation provision of the Policy;
- (2) An accurate record(s) of all repair costs and all bills, receipts and related documents that establish the amount of the loss;
- (3) Specifications for any damaged building; and
- (4) Detailed estimates and invoices for the repair of any damage.

11. Cooperate with **us** in the investigation and adjustment of the loss.

#### F. LOSS ADJUSTMENT / PAYABLE

Loss will be adjusted with the First Named Insured. **We** may, at **our** option, adjust the loss to property of others directly with the owner of the property. Such loss will be payable to the First Named Insured or as may be directed by the First Named Insured.

Additional insured interests will also be included in loss payment as their interests may appear when named as additional named insured, lender, mortgagee and/or loss payee either on a Certificate of Insurance or other evidence of insurance on file with **us**. When named on a Certificate of Insurance or other evidence of insurance, such additional interests are automatically added to this Policy as their interests may appear as of the effective date shown on the Certificate of Insurance or other evidence of insurance. The Certificate of Insurance or other evidence of insurance will not amend, extend or alter the terms, conditions, provisions and limits of this Policy.

Losses will be adjusted and paid in the currency of the United States of America, unless directed otherwise by **you**. In the event of a loss adjustment involving currency conversion, the exchange selling rate will be calculated as follows:

1. As respects the calculation of deductibles and LIMITS OF LIABILITY, the rate of exchange published in The Wall Street Journal on the date of loss.
2. As respects loss or damage to **covered property**:
  - a. The cost to repair or replace such **covered property** will be converted at the time the cost of repair or replacement is incurred based on the rate of exchange published in The Wall Street Journal.
  - b. If such **covered property** is not replaced or repaired, the conversion will be based on the rate of exchange published in The Wall Street Journal as of the date of loss.
3. As respects TIME ELEMENT loss, the conversion will be based on the average of the rate of exchange published in The Wall Street Journal on the date of loss and the rate of exchange published in The Wall Street Journal on the last day of the PERIOD OF LIABILITY. If The Wall Street Journal was not published on the stipulated date, the rate of exchange will be as published on the next business day.

#### G. PAYMENT OF LOSS

**We** will pay the insured loss within thirty (30) days after **we** receive and accept the signed, sworn Proof of Loss, if:

1. **You** have complied with all the terms of this Policy;
2. **We** have reached agreement with **you** on the amount of the loss, or
3. Within thirty (30) days of when an appraisal award is made as provided for in LOSS CONDITIONS **B. APPRAISAL**.

#### H. SUBROGATION

1. If **we** make payment for a loss, **you** will assign to **us** all **your** rights of recovery against any party for that loss. **We** will not acquire any rights of recovery **you** have waived prior to the loss. **You** agree to cooperate and not to waive, prejudice, settle or compromise any claim against any party after the loss.
2. **You** will be paid any recovery, in the proportion that **your** deductible and any provable uninsured loss bears to the total loss less **your** proportion of fees and expenses.

#### I. SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within two (2) years next after the inception of the loss.



## SECTION VII – DEFINITIONS

1. **Actual cash value:** The amount it would cost to repair or replace **covered property**, on the date of loss, with material of like kind and quality, with proper deduction for physical depreciation and obsolescence, but in no event more than the fair market value.
2. **Annual aggregate:** The maximum amount of loss or damage payable in any one (1) Policy year regardless of the number of **occurrences** within the same Policy year.
3. **Contaminant:** Any foreign substance, impurity, pollutant, hazardous material, poison, toxin, pathogen or pathogenic organism, bacteria, virus, disease causing or illness causing agent, fungus, mold or mildew.
4. **Contamination:** Any condition of property that results from a **contaminant**.
5. **Covered loss:** A loss to **covered property** caused by direct physical loss or damage insured by this Policy.
6. **Covered property:** Property insured by this Policy.
7. **Electronic Data:** Information (including computer programs) stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, drives, **electronic data processing equipment** or any storage medium.
8. **Electronic data processing equipment:** Any computer, computer system or component, hardware, network, microprocessor, microchip, integrated circuit or similar devices or components in computer or non-computer equipment, operating systems, data, programs or other software stored on electronic, electro-mechanical, electro-magnetic data processing or production equipment, whether **your** property or not.
9. **Fine Arts:** Property of rarity, historical value, antiquity or artistic merit, including paintings; etchings; pictures (including their negatives); tapestries; statuary; marbles; bronzes; antique jewelry; antique furniture; antique silver; rare books; porcelains; rare or art glassware; art glass windows; valuable rugs; bric-a-brac and porcelains
10. **Foreign location(s):** Any **location** outside of the continental United States of America, Hawaii and Puerto Rico.
11. **Land improvements:** Landscape gardening, car parks, parking lots, pavement, roadways, sidewalks, walkways, railways or transformer enclosures; but does not include fill beneath such property, including buildings, structures or additions.
12. **Local policy(ies):** A policy of insurance issued locally in a country outside of the United States, its territories and possessions.
13. **Location(s):**
  - a. As specified in Appendix A – Schedule of Covered **Location(s)**;
  - b. Listed on a SCHEDULE on file with **us**; or
  - c. If not so specified in Appendix A – Schedule of Covered **Location(s)** or listed on a SCHEDULE on file with **us**, a building, yard, dock, wharf, pier or bulkhead (or any group of the foregoing) bounded on all sides by public streets, clear land space or open waterways, each not less than fifty (50) feet wide. Any bridge or tunnel crossing such street, space or waterway will render such separation inoperative for the purpose of this definition.

**14. Miscellaneous Unnamed Location:** A **location** owned, leased or rented by **you**, but not listed in a Schedule of **locations** on file with **us** or attached to this Policy.

**Miscellaneous Unnamed Location** does not include:

- a. Newly Acquired **Locations**; or
- b. A **location** for which coverage is found elsewhere in this Policy including ERRORS AND OMISSIONS.

**15. Occurrence:** All loss or damage attributable directly or indirectly to one (1) cause or series of similar causes. All such loss or damage will be added together and the total loss or damage will be treated as one (1) **occurrence**.

Unless otherwise amended by an endorsement attached to this Policy:

- a. All loss or damage resulting from a continuous *FLOOD* event, irrespective of the amount of time or area over which such loss or damage occurs, will be considered a single **occurrence**.
- b. All loss or damage from *EARTH MOVEMENT* or *NAMED STORM* within the time specified in the **OCCURRENCE TIME SPECIFICATIONS** will be considered a single **occurrence**.

**16. Ordinary payroll:** Payroll expenses for all of **your** employees except officers, executives, department managers, employees under contract, and other important professional employees. Payroll expenses include the payroll, employee benefits (if directly related to payroll), FICA payments, Union dues and Workers' Compensation premiums **you** pay.

**17. Personal Property:** **Your** tangible things, other than **real property** owned by **you** and used in **your** business, including:

- a. Furniture, fixtures, machinery, **electronic data processing equipment** and stock;
- b. Materials, supplies, machinery, equipment and fixtures, including those that are *personal property of others*, which are intended by **you** for use in construction of new additions and buildings at an existing covered **location**, that **you** begin to construct during the Policy period and intend to own or occupy once constructed, while located on the construction site awaiting use in construction.
- c. Property, other than **real property**, **you** lease for use in **your** business that **you** have a responsibility to insure;
- d. **Your** interest in improvements and betterments **you** have made in buildings **you** do not own;
- e. **Your valuable papers and records**.

**18. Prohibited jurisdiction:** Any country or political subdivision, outside the United States of America, its territories and possessions, in which by that country's or political subdivision's insurance laws and regulations, **we** are not allowed to insure risks.

**19. Real Property:** Building(s) and any other structure, including:

- a. New buildings and additions under construction, in which **you** have an insurable interest;
- b. Completed additions, extensions or permanent fixtures;
- c. Machinery and equipment used to service the buildings;
- d. Yard Fixtures.

- 20. Sturmflut:** A general and temporary condition of partial or complete inundation of dry land areas caused by or resulting from the overflow of river, lake, bay, estuary or tidal waters because of the rapid accumulation of runoff or surface waters from any source or from wind driven storm surge, tidal wave, high tide, flood tide, wave wash or tsunami.
- 21. Subsidiary company:** A business entity which is owned and controlled by **you**.
- 22. Terrorism:** Activities against persons, organizations or property of any nature:
- a. That involve the following or preparation for the following:
    - (1) Use or threat of force or violence; or
    - (2) Commission or threat of a dangerous act; or
    - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
  - b. When one or both of the following applies:
    - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
    - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- 23. Valuable papers and records:** Written or printed documents or records including books, maps, negatives, drawings, abstracts, deeds, mortgages and manuscripts.
- 24. We, us and our(s):** The company issuing this Policy, as shown on the Declarations.
- 25. You and your(s):** The First Named Insured shown on the Declarations.

## APPENDIX A - SCHEDULE OF COVERED LOCATIONS

Per schedule on file with us

**APPENDIX B - NEW MADRID EARTH MOVEMENT ZONES**

<b>STATE</b>	<b>ZONE</b>	<b>COUNTIES / PARISHES / INDEPENDENT CITIES</b>
ARKANSAS	1	Clay, Craighead, Crittenden, Cross, Green, Independence, Jackson, Lawrence, Lee, Mississippi, Monroe, Phillips, Poinsett, Randolph, St. Francis, White, Woodruff
ARKANSAS	2	Arkansas, Fulton, Izard, Lonoke, Prairie, Sharp,
ILLINOIS	1	Alexander, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jefferson, Johnson, Massac, Perry, Pope, Pulaski, Randolph, Saline, Union, Washington, Williamson
ILLINOIS	2	Bond, Clay, Clinton, Crawford, Edwards, Effingham, Fayette, Jasper, Lawrence, Madison, Marion, Monroe, Richland, Saint Clair, Wabash, Wayne, White
INDIANA	2	Gibson, Knox, Pike, Posey, Spencer, Vanderburgh, Warrick
KENTUCKY	1	Ballard, Calloway, Carlisle, Crittenden, Fulton, Graves, Hickman, Livingston, Lyon, Marshall, McCracken,
KENTUCKY	2	Caldwell, Christian, Daviess, Henderson, Hopkins, McLean, Muhlenberg, Todd, Trigg, Union, Webster
MISSISSIPPI	1	DeSoto, Marshall, Tate, Tunica
MISSISSIPPI	2	Alcorn, Benton, Coahoma, Lafayette, Panola, Quitman, Tippah
MISSOURI	1	Bollinger, Butler, Cape Girardeau, Carter, Dunklin, Madison, Mississippi, New Madrid, Pemiscott, Perry, Ripley, Scott, Stoddard, Wayne
MISSOURI	2	Independent City of St. Louis, Iron, Jefferson, Oregon, Reynolds, Shannon, St. Francois, St. Louis, Ste. Genevieve, Washington
TENNESSEE	1	Benton, Carroll, Chester, Crockett, Dyer, Fayette, Gibson, Hardeman, Haywood, Henderson, Henry, Lake, Lauderdale, Madison, Obion, Shelby, Tipton, Weakley
TENNESSEE	2	Decatur, Hardin, Houston, Humphreys, McNairy, Montgomery, Perry, Stewart,

**APPENDIX C - PACIFIC NORTHWEST *EARTH MOVEMENT* ZONE**

<b>REGION / STATE</b>	<b>COUNTIES / COORDINATES</b>
CANADA: BRITISH COLUMBIA and VANCOUVER ISLAND	South of 50° N latitude and west of 120° W longitude
OREGON	Benton, Clackamas, Clatsop, Columbia, Coos, Curry, Douglas, Hood River, Jackson, Josephine, Klamath, Lane, Lincoln, Linn, Marion, Multnomah, Polk, Tillamook, Washington, Yamhill
WASHINGTON	Chelan, Clallam, Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Lewis, Mason, Pacific, Pierce, San Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum, Whatcom

**APPENDIX D - EARTH MOVEMENT ZONES WORLDWIDE EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

<b>Country</b>	<b>Zone</b>	<b>Provinces/Territories/States/Counties</b>
ALBANIA	1	Entire Country
ALGERIA	2	Balance of Country
	4	Adrar, Bechar, Tamanghasset, Ouargla, Illizi, Tindouf, Ghardaia
ANDORRA	4	Entire Country
ANGUILLA	2	Entire Country
ANTARCTICA	3	Entire Country
ANTIGUA & BARBUDA	2	Entire Country
ARGENTINA	1	Mendoza, Neuquen, San Juan
	2	Catamarca, Jujuy, Salta, Tucuman
	4	Balance of Country
ARMENIA	1	Entire Country
ARUBA	3	Entire Country
AUSTRALIA including Christmas Island , Cocos (Keeling) Islands	2	Christmas Island , Cocos (Keeling) Islands
	3	Western Australia
	4	Balance of Country
AUSTRIA	4	Entire Country
AZERBAIJAN	1	Entire Country
BAHAMAS	4	Entire Country
BAHRAIN	4	Entire Country
BANGLADESH	1	Entire Country
BARBADOS	2	Entire Country
BELARUS	4	Entire Country
BELGIUM	3	Entire Country
BELIZE	2	Entire Country
BENIN	4	Entire Country
BERMUDA	4	Entire Country
BHUTAN	1	Balance of Country
	2	Gasa

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

BOLIVIA	1	La Paz
	2	Oruro, Potosi, Tarija
	3	Beni, Chuquisaca, Cochabamba, Pando, Santa Cruz
BOSNIA & HERZEGOVINA	2	Entire Country
BOTSWANA	4	Entire Country
BRAZIL	4	Entire Country
BRITISH VIRGIN ISLANDS	1	Entire Country
BRUNEI DARUSSALAM	3	Entire Country
BULGARIA	2	Entire Country
BURKINA FASO	4	Entire Country
BURUNDI	2	Entire Country
CAMBODIA	4	Entire Country
CAMEROON	3	Entire Country
CANADA	Refer to Pacific Northwest <i>EARTH MOVEMENT</i> Zone (Appendix C).	British Columbia and Vancouver Island, South of 50° N latitude and west of 120° W longitude
	4	Balance of Country
CAPE VERDE	4	Entire Country
CAYMAN ISLANDS	1	Entire Country
CENTRAL AFRICAN REPUBLIC	4	Entire Country
CHAD	4	Entire Country
CHILE	1	Entire Country
CHINA	1	Liaoning, Tianjin, Hebei, Shandong, Gansu, Sichuan, Shaanxi, Yunnan
	2	Tibet Autonomous Region, Macau
	3	Balance of Country
	4	Hong Kong
COLOMBIA	1	Antioquia, Cauca, Choco, Narino, Quindio, Risaralda, Valle del Cauca, Bogota
	2	Balance of Country
	3	Amazona, Arauca, Caqueta, Casanare, Guainia, Guaviare, Meta, Putumayo, San Anres and Providencia, Vaupes, Vichada
COMOROS	4	Entire Country



APPENDIX D (continued)

*EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES*

CONGO, REPUBLIC OF	2	Entire Country
COOK ISLANDS	2	Entire Country
COSTA RICA	1	Entire Country
CROATIA	2	Entire Country
CURACAO	3	Entire Country
CYPRUS	2	Entire Country
CZECH REPUBLIC	3	Entire Country
DENMARK	4	Entire Country
DJIBOUTI	2	Entire Country
DOMINICA	1	Entire Country
DOMINICAN REPUBLIC	1	Entire Country
ECUADOR	1	Entire Country
EGYPT	2	Cairo, Dakahlia, Damietta, Gharbia, Ismailia, Kafr el-Sheikh, Monufia, North Sinai, Port Said, Red Sea, Sharqia, Suez
	3	Balance of Country
EL SALVADOR	1	Entire Country
EQUATORIAL-GUINEA	4	Entire Country
ERITREA	2	Entire Country
ESTONIA	4	Entire Country
ETHIOPIA	2	Balance of Country
	3	Benishangul, Dure Dawa, Gambela, Harari, Somalia, Tigray
FAROE ISLANDS	4	Entire Country
FEDERATED STATES OF MICRONESIA	2	Entire Country
FIJI	1	Entire Country
FINLAND	4	Entire Country
FRANCE	3	Entire Country
FRENCH GUIANA	4	Entire Country
FRENCH POLYNESIA	4	Entire Country
GABON	2	Ogooue-Ivindo, Ogooue-Lolo
	3	Balance of Country
GAMBIA	4	Entire Country
GERMANY	3	Entire Country
GHANA	1	Accra
	2	Balance of Country
GIBRALTAR	3	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

GREECE	1	Entire Country
GREENLAND	3	Entire Country
GRENADA	1	Entire Country
GUADELOUPE	1	Entire Country
GUATEMALA	1	Balance of Country
	3	Peten
GUINEA	2	Boke
	3	Balance of Country
GUINEA- BISSAU	3	Entire Country
GUYANA	3	Entire Country
HAITI	1	Entire Country
HONDURAS	1	Balance of Country
	3	Atlantida, Colon, Comayagua, El Paraiso, Francisco Morazan, Gracias a Dios, Islas de la Bahia, Olancho, Yoro
HUNGARY	3	Entire Country
ICELAND	2	Northeast Region, South Region, Southern Peninsula Region, Capital Region
	3	Balance of Country
INDIA	1	Arunachal Pradesh, Assam, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Uttarakhand
	3	Balance of Country
INDONESIA	2	Balance of Country
	3	(Borneo)-East Kalimantan, South Kalimantan, West Kalimantan, Central Kalimantan, Riau, Jambi, South Sulawesi, Southeast Sulawesi, Bangka-Belitung, West Nusa Tenggara
IRAQ	2	Entire Country
IRELAND	4	Entire Country
ISLE OF MAN	3	Entire Country
ISRAEL	1	Entire Country
ITALY	1	Balance of Country
	3	Liguria, Lombardy, Marche, Piedmont, Aosta Valley, Trentino-Alto Adige/Südtirol, Veneto, Sardinia
IVORY COAST (COTE-D'IVOIRE)	4	Entire Country
JAMAICA	1	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

JAPAN	1	Balance of Country
	2	Prefectures of Akita, Fukui, Fukuoka, Gifu, Gunma, Hiroshima, Ishikawa, Kagoshima, Niigata, Okayama, Okinawa, Saga, Shimane, Tochigi, Tottori, Toyama, Yamaguchi
JORDAN	1	Balance of Country
	3	Ma'an
KAZAHKSTAN	1	Entire Country
KENYA	2	Entire Country
KIRIBATI	2	Entire Country
KOSOVO	3	Entire Country
KUWAIT	4	Entire Country
KYRGYZSTAN (KYRGYZ REPUBLIC)	1	Entire Country
LAOS	2	Balance of Country
	3	Attapu, Bolikhamxai, Champasak, Khammouan, Salavan, Savannakhet, Xekong
LATVIA	4	Entire Country
LEBANON	1	Entire Country
LESOTHO	2	Balance of Country
	3	Berea, Butha-Buthe, Leribe, Mokhotlong, Thaba-Tseka
LIBERIA	4	Entire Country
LIBYA	2	Entire Country
LIECHTENSTEIN	4	Entire Country
LITHUANIA	4	Entire Country
LUXEMBOURG	4	Entire Country
MACEDONIA	1	Entire Country
MADAGASCAR	3	Entire Country
MALAWI	2	Entire Country
MALAYSIA	3	Entire Country
MALDIVES	4	Entire Country
MALI	4	Entire Country
MALTA	4	Entire Country
MARSHALL ISLANDS	4	Entire Country
MARTINIQUE	1	Entire Country
MAURITANIA	4	Entire Country
MAURITIUS	4	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

MAYOTTE	2	Entire Country
MEXICO	1	Balance of Country
	4	Chihuahua, Campeche, Coahuila, Durango, Nuevo Leon, Quintana Roo, San Luis Potosi, Sonora, Tamaulipas, Yucatan, Zacatecas
MOLDOVA	2	Entire Country
MONACO	3	Entire Country
MONGOLIA	1	Balance of Country
	2	Govi-Altai, Arkhangai, Bulgan, Selenge, Tov, Ovorkhangai
	3	Khentii, Dundgovi, Dornogovi, Dornod, Sukhbaatar
MONTENEGRO	2	Entire Country
MONTSERRAT	1	Entire Country
MOROCCO	2	Fès-Boulemane (Fès) , Gharb-Chrarda-Béni Hssen (Kénitra), Tangier-Tétouan (Tangier)
	3	Taza-Al Hoceima-Taounate (Al Hoceima)
	4	Balance of Country
MOZAMBIQUE	2	Manica, Sofala, Zambezia
	3	Balance of Country
NAMIBIA	4	Entire Country
NAURU	2	Entire Country
NEPAL	1	Entire Country
NETHERLANDS	4	Balance of Country
	3	Bonaire
	1	Saba, Sint Eustatius
NEW CALEDONIA	3	Entire Country
NEW ZEALAND	1	Balance of Country
	3	Northland, Auckland, Waikato
NICARAGUA	1	Balance of Country
	3	RAAN (Bilwi), RAAS (Bluefields)
NIGER	4	Entire Country
NIGERIA	4	Entire Country
NIUE	2	Entire Country
NORFOLK ISLAND	2	Entire Country
NORWAY	4	Entire Country

APPENDIX D (continued)

*EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES*

OMAN	4	Entire Country
PAKISTAN	1	Balance of Country
	3	Punjab
PALAU	2	Entire Country
PALESTINE	1	Entire Country
PANAMA	2	Entire Country
PAPUA NEW GUNIEA	1	Entire Country
PARAGUAY	4	Entire Country
PERU	1	Entire Country
PHILIPPINES	1	Entire Country
PITCAIRN ISLANDS	2	Entire Country
POLAND	4	Entire Country
PORTUGAL	2	Lisbon, Santarém, Faro, Azores Autonomous Region
	4	Balance of Country
QATAR	4	Entire Country
REUNION	4	Entire Country
ROMANIA	2	Entire Country
RUSSIAN FEDERATION	1	Kamchatka, Buryatia, Tuva, Altai Republic, Stavropol, Chechnya, Adygea, Krasnodar, Karachay-Cherkessia, Ingushetia, Dagestan, Kabardino-Balkaria, North Ossetia-Alania
	3	Balance of Country
RWANDA	2	Entire Country
SAMOA (WESTERN )	2	Entire Country
SAN MARINO	2	Entire Country
SAO TOME & PRINCIPE	4	Entire Country
SAUDI ARABIA	2	Jizan, Tabuk
	4	Balance of Country
SENEGAL	3	Entire Country
SERBIA	2	Entire Country
SEYCHELLES	4	Entire Country
SIERRA LEONE	4	Entire Country
SINGAPORE	4	Entire Country
SINT MAARTEN	1	Entire Country
SLOVAKIA	3	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

SLOVENIA	2	Entire Country
SOLOMAN ISLANDS	1	Entire Country
SOMALIA	3	Entire Country
SOUTH AFRICA	2	Free State, Western Cape
	3	Balance of Country
SOUTH KOREA	3	Entire Country
SOUTHERN SUDAN	3	Entire Country
SPAIN	2	Andalusia, Murcia
	3	Balance of Country
SRI LANKA	3	Entire Country
ST. BARTHELEMY	1	Entire Country
ST. KITTS AND NEVIS	1	Entire Country
ST. LUCIA	1	Entire Country
ST. MARTIN	1	Entire Country
ST. VINCENT AND THE GRENADINES	1	Entire Country
SURINAME	4	Entire Country
SWAZILAND	2	Entire Country
SWEDEN	4	Entire Country
SWITZERLAND	4	Entire Country
TAIWAN	1	Entire Country
TAJIKISTAN	1	Entire Country
TANZANIA	2	Kigoma, Arusha, Singida, Dodoma, Manyara, Rukwa, Mbeya, Iringa, Ruvuma, Mtwara
	3	Balance of Country
THAILAND	2	Chiang Rai, Payao, Nan, Chang Mai, Mae Hong Son, Lampang, Lampun, Phrae, Uttaradit, Sukhothai, Tak, Phitsanulok, Kamphaeng Phet, Phichit, Nakhon Sawan, Uthai Thani, Kanchanaburi, Chai Nat, Lop Buri, Sara Buri, Nakon Nayok, Ang Thong, Phra Nakhon Si Ayuthaya, Nakhon Pathom, Sing Buri, Pathum Thani, Bangkok, Samut Songkhram, Samut Sakhon, Nonthaburi, Samut Prakan, Phetchaburi
	3	Balance of Country
TIMOR-LESTE	2	Entire Country
TOGO	3	Entire Country
TONGA	2	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

TRINIDAD AND TOBAGO	1	Entire Country
TUNISIA	2	Ariana, Béja, Ben Arous, Bizerte, Gafsa, Jendouba, Manouba, Monastir, Nabeul, Sousse, Tunis, Zaghuan
	3	Balance of Country
TURKEY	1	Entire Country
TURKMENISTAN	1	Entire Country
TURKS AND CAICOS	1	Entire Country
TUVALU	4	Entire Country
UGANDA	2	Entire Country
UKRAINE	4	Entire Country
UNITED ARAB EMIRATES	4	Entire Country
UNITED KINGDOM including Guernsey, Jersey	3	Entire Country
URUGUAY	4	Entire Country
UZBEKISTAN	1	Entire Country
VANUATU	2	Entire Country
VATICAN CITY	1	Entire Country
VENEZUELA	1	Balance of Country
	2	Carabobo, Aragua, Guarico, Vargas, Miranda, Dpto Capital, Anzoategui, Monagas
	4	Delta Amacuro, Bolivar, Amazonas
VIETNAM	2	Lai Chau, Lao Cai, Yen Bai, Son La, Hoa Binh, Vinh Phu, Hanoi, Hai Phong, Ha Tay, Hai Hung, Thai Binh, Nom Ha, Ninh Binh, Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Quang Ngai, Binh Dinh, Phu Yen, Khanh Hoa, Ninh Thuan
	3	Balance of Country
WESTERN SAHARA	4	Entire Country
YEMEN	4	Entire Country
ZAMBIA	2	Northern, Southern
	3	Balance of Country
ZIMBABWE	3	Entire Country

Any country not listed is Zone 1 unless stated differently in the Declarations.

**APPENDIX E - NAMED STORM TIERS FOR USA INCLUDING ITS COMMONWEALTHS AND TERRITORIES**

**SOUTHERN TIER ONE: NORTH CAROLINA TO TEXAS**

<b>STATE</b>	<b>COUNTIES / PARISHES / INDEPENDENT CITIES</b>
Alabama	Baldwin, Mobile
Florida	Entire State
Georgia	Brantly, Bryan, Camden, Chatham, Charlton, Effingham, Glynn, Liberty, Long, McIntosh, Pierce, Wayne
Louisiana	Acadia, Ascension, Assumption, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington, West Baton Rouge
Mississippi	George, Hancock, Harrison, Jackson, Pearl River, Stone
North Carolina	Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Duplin, Gates, Hertford, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Tyrrell, Washington, Wayne
South Carolina	Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Horry, Jasper, Williamsburg
Texas	Aransas, Bee, Brazoria, Brooks, Calhoun, Cameron, Chambers, Fort Bend, Galveston, Goliad, Hardin, Harris, Hidalgo, Jackson, Jasper, Jefferson, Jim Wells, Kenedy, Kleberg, Liberty, Matagorda, Nueces, Orange, Refugio, San Patricio, Victoria, Wharton, Willacy



APPENDIX E (continued)

**NAMED STORM TIERS FOR USA INCLUDING  
ITS COMMONWEALTHS AND TERRITORIES**

NORTHERN TIER ONE: VIRGINIA TO MAINE

<b>STATE</b>	<b>COUNTIES / PARISHES / INDEPENDENT CITIES</b>
Connecticut	Fairfield, Middlesex, New Haven, New London
Delaware	Sussex
Maine	Cumberland, Hancock, Knox, Lincoln, Penobscot, Sagadahoc, Waldo, Washington, York
Maryland	Calvert, Charles, Dorchester, St. Mary's, Somerset, Wicomico, Worcester
Massachusetts	Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk
New Hampshire	Rockingham
New Jersey	Atlantic, Bergen, Cape May, Cumberland, Essex, Hudson, Middlesex, Monmouth, Ocean, Union
New York	Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk
Rhode Island	Bristol, Newport, Washington
Virginia	Accomack, Gloucester, Isle of Wight, James City, Lancaster, Mathews, Middlesex, Northampton, Northumberland, Surry, York Independent Cities: Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg

SOUTHERN TIER TWO: NORTH CAROLINA TO TEXAS

<b>STATE</b>	<b>COUNTIES / PARISHES / INDEPENDENT CITIES</b>
Alabama	Clarke, Coffee, Conecuh, Covington, Dale, Escambia, Geneva, Houston, Monroe, Washington
Louisiana	Allen, Avoyelles, Beauregard, Evangeline, St. Helena, St. Landry, West Feliciana
Mississippi	Forrest, Greene, Jones, Lamar, Marion, Perry, Pike, Walthall, Wayne
North Carolina	Cumberland, Edgecombe, Greene, Johnston, Robeson, Sampson, Wilson
South Carolina	Bamberg, Calhoun, Clarendon, Dillon, Florence, Hampton, Marion, Orangeburg
Texas	Austin, Brazos, Colorado, De Witt, Duval, Fayette, Gonzales, Grimes, Jim Hogg, Karnes, Lavaca, Live Oak, McMullen, Montgomery, Newton, Polk, San Jacinto, Starr, Tyler, Walker, Waller, Washington

APPENDIX E (continued)

**NAMED STORM TIERS FOR USA INCLUDING  
ITS COMMONWEALTHS AND TERRITORIES**

Other States, Commonwealths and Territories of The United States of America		
	<b>TIER</b>	
AMERICAN SAMOA	2	Entire Territory
GUAM	1	Entire Territory
HAWAII	1	Entire State
NORTHERN MARIANA ISLANDS	1	Entire Commonwealth
PUERTO RICO	1	Entire Commonwealth
U.S. VIRGIN ISLANDS	1	Entire Territory
All other US Territories and Possessions	1	Entire Territory

**APPENDIX F - NAMED STORM ZONES WORLDWIDE EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

<b>Country</b>	<b>Zone</b>	<b>Provinces/Territories/States/Counties</b>
ALBANIA	4	Entire Country
ALGERIA	3	Entire Country
ANDORRA	3	Entire Country
ANGUILLA	1	Entire Country
ANTARCTICA	4	Entire Country
ANTIGUA & BARBUDA	1	Entire Country
ARMENIA	4	Entire Country
ARGENTINA	4	Entire Country
ARUBA	1	Entire Country
AUSTRALIA including Christmas Island, Cocos (Keeling) Islands	1	Western Australia Postcodes: 6701,6707,6710,6711,6712, 6713,6714,6716,6718,6720,6721,6722,6725,6726,6728,6731, 6733,6740,6743,6751,6754,6760,6762,6765,  Northern Territory Postcodes: 0800,0810,0812,0820,0822, 0828,0829,0830,0832,0835,0836,0837,0838,0840,0841,0845,0846,0847,0850,0852,0853,0854,0862,0880,0885,0886, Christmas Island, Cocos (Keeling) Islands
	2	Queensland Postcodes: 4580,4581,4620,4621,4630,4650, 4655,4659,4660,4662,4670,4671,4673,4674,4676,4677,4678,4680,4694,4695,4697,4699,4700,4701,4702,4703,4704, 4705,4706,4707,4710,4711,4712,4714,4715,4716,4717, 4718,4720,4721,4723,4737,4738,4739,4740,4741,4742, 4743,4744,4745,4746,4750,4751,4753,4754,4756,4757, 4798,4799,4800,4801,4802,4803,4804,4805,4806,4807, 4808,4809,4810,4811,4812,4813,4814,4815,4816,4817, 4818,4819,4820,4830,4849,4850,4852,4854,4855,4856, 4857,4858,4859,4860,4861,4865,4868,4869,4870,4871, 4872,4873,4874,4875,4876,4877,4878,4879,4880,4881, 4882,4883,4884,4885,4886,4887,4888,4890,4891,4895
	3	Balance of Country
AUSTRIA	4	Entire Country
AZERBAIJAN	4	Entire Country
BAHAMAS	1	Entire Country
BAHRAIN	4	Entire Country
BANGLADESH	1	Entire Country
BARBADOS	1	Entire Country
BELARUS	4	Entire Country
BELGIUM	3	Entire Country

APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

BELIZE	1	Entire Country
BENIN	4	Entire Country
BERMUDA	1	Entire Country
BHUTAN	4	Entire Country
BOLIVIA	4	Entire Country
BOSNIA & HERZEGOVINA	4	Entire Country
BOTSWANA	3	Entire Country
BRAZIL	4	Entire Country
BRITISH VIRGIN ISLANDS	1	Entire Country
BRUNEI DARUSSALAM	4	Entire Country
BULGARIA	4	Entire Country
BURKINA FASO	4	Entire Country
BURUNDI	1	Entire Country
CAMBODIA	3	Entire Country
CAMEROON	4	Entire Country
CANADA	4	Entire Country
CAPE VERDE	3	Entire Country
CAYMAN ISLANDS	1	Entire Country
CENTRAL AFRICAN REPUBLIC	4	Entire Country
CHAD	3	Entire Country
CHILE	3	Entire Country
CHINA	1	Hainan, Macau, Guangdong, Fujian, Zhejiang, Shanghai, Jiangsu, Shangdong
	2	Hong Kong
	4	Balance of Country
COLOMBIA	3	Entire Country
COMOROS	3	Entire Country
CONGO, REPUBLIC OF	4	Entire Country
COOK ISLANDS	1	Entire Country
COSTA RICA	1	Entire Country
CROATIA	3	Entire Country
CURACAO	1	Entire Country
CYPRUS	4	Entire Country
CZECH REPUBLIC	4	Entire Country
DENMARK	3	Entire Country

APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

DJIBOUTI	4	Entire Country
DOMINICA	1	Entire Country
DOMINICAN REPUBLIC	1	Entire Country
ECUADOR	4	Entire Country
EGYPT	4	Entire Country
EL SALVADOR	2	Entire Country
EQUATORIAL GUINEA	4	Entire Country
ERITREA	4	Entire Country
ESTONIA	3	Entire Country
ETHIOPIA	4	Entire Country
FAROE ISLANDS	3	Entire Country
FEDERATED STATES OF MICRONESIA	1	Entire Country
FIJI	1	Entire Country
FINLAND	3	Entire Country
FRANCE	4	Entire Country
FRENCH GUIANA	4	Entire Country
FRENCH POLYNESIA	1	Entire Country
GABON	3	Entire Country
GAMBIA	4	Entire Country
GERMANY	3	Entire Country
GHANA	3	Entire Country
GIBRALTAR	3	Entire Country
GREECE	4	Entire Country
GREENLAND	4	Entire Country
GRENADA	1	Entire Country
GUADELOUPE	1	Entire Country
GUATEMALA	1	Izabal
	2	Balance of Country
GUINEA	4	Entire Country
GUINEA- BISSAU	4	Entire Country
GUYANA	3	Entire Country
HAITI	1	Entire Country
HONDURAS	1	Entire Country
HUNGARY	4	Entire Country
ICELAND	4	Entire Country

APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

INDIA	1	Andhra Pradesh, Jharkhand, Mizoram, Orissa, Tamil Nadu, Tripura, West Bengal
	3	Balance of Country
INDONESIA	3	Entire Country
IRAQ	4	Entire Country
IRELAND	3	Entire Country
ISLE OF MAN	3	Entire Country
ISRAEL	4	Entire Country
ITALY	3	Entire Country
IVORY COAST (COTE-D'IVOIRE)	4	Entire Country
JAMAICA	1	Entire Country
JAPAN	3	Regions of Hokkaido, Tohoku
	1	Balance of Country
JORDAN	4	Entire Country
KAZAHKSTAN	4	Entire Country
KENYA	3	Entire Country
KIRIBATI	1	Entire Country
KOSOVO	4	Entire Country
KUWAIT	4	Entire Country
KYRGYZSTAN (KYRGYZ REPUBLIC)	4	Entire Country
LAOS	3	Entire Country
LATVIA	3	Entire Country
LEBANON	4	Entire Country
LESOTHO	4	Entire Country
LIBERIA	4	Entire Country
LIBYA	4	Entire Country
LIECHTENSTEIN	4	Entire Country
LITHUANIA	3	Entire Country
LUXEMBOURG	4	Entire Country
MACEDONIA	4	Entire Country
MADAGASCAR	2	Entire Country
MALAWI	4	Entire Country
MALAYSIA	3	Entire Country
MALDIVES	3	Entire Country
MALI	4	Entire Country
MALTA	4	Entire Country

APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

MARSHALL ISLANDS	2	Entire Country
MARTINIQUE	1	Entire Country
MAURITANIA	4	Entire Country
MAURITIUS	1	Entire Country
MAYOTTE	1	Entire Country
MEXICO	1	Baja California Sur, Colima, Campeche, Chiapas, Guerrero, Jalisco, Michoacan, Oaxaca, Quintana Roo, Tabasco, Tamaulipas, Veracruz, Yucatan
	4	Balance of Country
MOLDOVA	4	Entire Country
MONACO	3	Entire Country
MONGOLIA	4	Entire Country
MONTENEGRO	4	Entire Country
MONTSERRAT	1	Entire Country
MOROCCO	4	Entire Country
MOZAMBIQUE	1	Entire Country
NAMIBIA	4	Entire Country
NAURU	4	Entire Country
NEPAL	4	Entire Country
NETHERLANDS	4	Balance of Country
	1	Bonaire
	1	Saba
	1	Sint Eustatius
NEW CALEDONIA	1	Entire Country
NEW ZEALAND	3	Entire Country
NICARAGUA	1	RAAN (Bilwi), RAAS (Bluefields)
	2	Balance of Country
NIGER	4	Entire Country
NIGERIA	4	Entire Country
NIUE	1	Entire Country
NORFOLK ISLAND	2	Entire Country
NORWAY	3	Entire Country
OMAN	3	Entire Country
PAKISTAN	3	Entire Country
PALAU	1	Entire Country

APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

PALESTINE	4	Entire Country
PANAMA	3	Entire Country
PAPUA NEW GUINEA	3	Entire Country
PARAGUAY	4	Entire Country
PERU	4	Entire Country
PHILIPPINES	1	Entire Country
PITCAIRN ISLANDS	1	Entire Country
POLAND	3	Entire Country
PORTUGAL	3	Azores Autonomous Region
	4	Balance of Country
QATAR	4	Entire Country
REUNION	1	Entire Country
ROMANIA	4	Entire Country
RUSSIAN FEDERATION	4	Entire Country
RWANDA	4	Entire Country
SAMOA (WESTERN )	1	Entire Country
SAN MARINO	4	Entire Country
SAO TOME & PRINCIPE	4	Entire Country
SAUDI ARABIA	4	Entire Country
SENEGAL	4	Entire Country
SERBIA	4	Entire Country
SEYCHELLES	3	Entire Country
SIERRA LEONE	4	Entire Country
SINGAPORE	4	Entire Country
SINT MAARTEN	1	Entire Country
SLOVAKIA	4	Entire Country
SLOVENIA	4	Entire Country
SOLOMAN ISLANDS	2	Entire Country
SOMALIA	4	Entire Country
SOUTH AFRICA	4	Entire Country
SOUTH KOREA	2	Entire Country
SOUTHERN SUDAN	4	Entire Country
SPAIN	4	Entire Country



APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

SRI LANKA	2	Entire Country
ST. BARTHELEMY	1	Entire Country
ST. KITTS AND NEVIS	1	Entire Country
ST. LUCIA	1	Entire Country
ST. MARTIN	1	Entire Country
ST. VINCENT AND THE GRENADINES	1	Entire Country
SURINAME	4	Entire Country
SWAZILAND	4	Entire Country
SWEDEN	3	Entire Country
SWITZERLAND	4	Entire Country
TAIWAN	1	Entire Country
TAJIKISTAN	4	Entire Country
TANZANIA	4	Entire Country
THAILAND	3	Entire Country
TIMOR-LESTE	3	Entire Country
TOGO	4	Entire Country
TONGA	1	Entire Country
TRINIDAD AND TOBAGO	1	Entire Country
TUNISIA	4	Entire Country
TURKEY	4	Entire Country
TURKMENISTAN	4	Entire Country
TURKS AND CAICOS	1	Entire Country
TUVALU	3	Entire Country
UGANDA	4	Entire Country
UKRAINE	4	Entire Country
UNITED ARAB EMIRATES	4	Entire Country
UNITED KINGDOM including Guernsey, Jersey	3	Entire Country
URUGUAY	3	Entire Country
UZBEKISTAN	4	Entire Country
VANUATU	1	Entire Country
VATICAN CITY	4	Entire Country
VENEZUELA	3	Entire Country
VIETNAM	2	Entire Country

APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

WESTERN SAHARA	4	Entire Country
YEMEN	3	Entire Country
ZAMBIA	4	Entire Country
ZIMBABWE	4	Entire Country

Any country not listed is Zone 1 unless stated differently in the Declarations.

## APPENDIX G - FLOOD HAZARD LOCATIONS

### High Hazard Location(s)

<b>Loc #</b>	<b>Sub Loc #</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
14	1	1102 North Muldoon Rd	Anchorage	AK	99506
21	1	3907 Shore Pkwy	Brooklyn	NY	11235
28	1	2055 East Shields Ave	Fresno	CA	93726
29	1	1003 North State Rd 7	Royal Palm Beach	FL	33411
30	1	300 Pkwy Dr	Lincolnshire	IL	60069
37	1	461 South Greenwood Park Dr	Greenwood	IN	46142
38	1	1400 S Columbus Ave	Philadelphia	PA	19147
39	1	1401 W Esplanade Ave	Kenner	LA	70065
54	1	24435 Town Center Dr	Santa Clarita	CA	91355
58	1	1500 Caughey Dr	Harrisburg	PA	17110
64	1	8136 Delta Shores Circle S	Sacramento	CA	95832
70	1	6006 Hollywood Dr	Naples	FL	34109
72	1	20505 South Dixie Hwy	Cutler Bay	FL	33189
77	1	8595 SW 124th Ave	Miami	FL	33183
79	1	735 Iwilei Rd	Honolulu	HI	96817
85	1	9525 Phillips Hwy	Jacksonville	FL	32256
122	1	4915 SW Loop 250 N	Midland	TX	79707
125	1	5547 S Williamson Blvd	Port Orange	FL	32128
134	1	403 W Main St	Merced	CA	95340
150	1	4100 38th St	Moline	IL	61265
154	1	333 Canal St	New Orleans	LA	70130
157	1	9645 Westview Dr	Coral Springs	FL	33076
159	1	900 Upper Front St	Binghamton	NY	13905
173	1	26 W Merritt Blvd	Fishkill	NY	12524
174	1	6415 N Andrews Ave	Fort Lauderdale	FL	33309
176	1	1160 W Branch St	Arroyo Grande	CA	93420
176	2	1160 W Branch St	Arroyo Grande	CA	93420
177	1	680 Ventura Blvd	Camarillo	CA	93010
183	1	3200 Ameristar Dr	Kansas City	MO	64161
186	1	733 Route 72 W	Manahawkin	NJ	08050
190	1	1200 Breckenridge Dr	Little Rock	AR	72205
192	1	7132 Regal Dr	Knoxville	TN	37918
210	1	9000 SW 136th St	Miami	FL	33176
214	1	353 N Mead St	Wichita	KS	67202
219	1	901 South Coast Dr	Costa Mesa	CA	92626
221	1	14051 Beach Blvd	Jacksonville	FL	32250
226	1	1120 Interquest Pkwy	Colorado Springs	CO	80921
230	1	501 NE Marion St	Salem	OR	97301
232	1	3702 W University Ave	Gainesville	FL	32607
244	1	6701 Cinema Dr	Port Richey	FL	34668
247	1	3351 W Shaw Ave	Fresno	CA	93711
250	1	3338 North Roosevelt Blvd	Key West	FL	33040
258	1	5555 Youngstown Warren Rd	Niles	OH	44446
259	1	70 E Kahumanu Ave	Kahalui	HI	96732
260	1	1490 11th Ave NW	Issaquah	WA	98027
261	1	963 Houston Northcutt Blvd	Mount Pleasant	SC	29464

262	1	175 Cherry Rd NW	Massillon	OH	44646
289	1	215 Williamson Blvd	Ormond Beach	FL	32174
294	1	100 Regal Way	Newport News	VA	23602
303	1	120 South Bridge St	Visalia	CA	93291
311	1	337 Placerville Dr	Placerville	CA	95667
328	1	222 North El Dorado St	Stockton	CA	95202
335	1	1515 W 23rd St	Panama City	FL	32405
336	1	1075 Pkwy Blvd	Flowood	MS	39232
337	1	4777 West Chester Pike	Newtown Square	PA	19073
356	1	One Walden Galleria	Buffalo	NY	14225
357	1	2804 Plumb 3rd St	Brooklyn	NY	11235
365	1	1471 West Webster Ave	Chicago	IL	60614
367	1	2800 Shed Rd	Bossier City	LA	71111
374	1	7117 Regal Lane	Knoxville	TN	37918
380	1	6601 East Pacific Coast Hwy	Long Beach	CA	90803
382	1	501 Buckingham Way	San Francisco	CA	94132
384	1	1350 Boone St	Leesville	LA	71446
392	1	2830 Hwy 90 W	Lake City	FL	32055
395	1	7200 Us Hwy 19 N	Pinellas Park	FL	33781
398	1	570 Opry Mills Dr	Nashville	TN	37214
403	1	1101 E 18th St	Rolla	MO	65401
409	1	1405 Pacific Ave	Santa Cruz	CA	95060
410	1	8000 West Broward Blvd	Plantation	FL	33324
415	1	10028 Gulf Center Dr	Fort Meyers	FL	33913
417	1	4524 Doris Circle	Knoxville	TN	37918
425	1	401 Park Dr	Boston	MA	22153
441	1	100 Washington St	Oakland	CA	94607
446	1	910 Sawmill Rd	Laurel	MS	39440
451	1	1120 Lincoln Rd	Miami Beach	FL	33139
452	1	300 Monticello Ave	Norfolk	VA	23510
460	1	1319 Theatre Dr	Mount Pleasant	SC	29464
463	1	4455 Dowlen Rd	Beaumont	TX	77706
467	1	7999 Citrus Park Town Center Mall	Tampa	FL	33625
472	1	3561 Truxel Rd	Sacramento	CA	95834
484	1	4600 W Kellogg Dr	Wichita	KS	67209
489	1	2600 NW 136th Ave	Sunrise	FL	33323
504	1	1230 S Hover St	Longmont	CO	80501
513	1	15977 Pines Blvd	Pembroke Pines	FL	33027
515	1	341 Three Rivers Dr	Kelso	WA	98626
518	1	7131 Regal Dr	Knoxville	TN	37918
526	1	1993 Main St	Sarasota	FL	34236
529	1	2800 Oakwood Blvd	Hollywood	FL	33020
536	1	720 Builders Way	Niagara Falls	NY	14304
541	1	13499 Bell Tower Dr	Fort Meyers	FL	33907
542	1	8021 Cinema Way	Estero	FL	33928
550	1	9889 Glades Rd	Boca Raton	FL	33434
551	1	955 Eagle Ridge Dr	Lake Wales	FL	33859
559	1	1801 Northwest Hwy 19	Crystal River	FL	34428
564	1	700 Grand Central Mall	Vienna	WV	26105
568	1	658 Front St	Lahaina	HI	96761
569	1	1144 S Gilbert Rd	Gilbert	AZ	85296
571	1	4450 Kapolei Pkwy	Honolulu	HI	96707
572	1	7112 Regal Dr	Knoxville	TN	37918

**Moderate Hazard Location(s)**

<b>Loc #</b>	<b>Sub Loc #</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
1	1	7301 W Grand Pkwy S	Richmond	TX	77407
5	1	1200 Lakes Dr	West Covina	CA	91790
6	1	4900 East 4th St	Ontario	CA	91764
10	1	321 Merrick Rd	Lynbrook	NY	11563
17	1	3839 Wesleyan St	Houston	TX	77027
18	1	7300 Aliante Pkwy	North Las Vegas	NV	89084
20	1	1180 West San Marcos Blvd	San Marcos	CA	92078
22	1	9150 21st St N	Wichita	KS	67205
23	1	2474 Forest Ave	Staten Island	NY	10303
25	1	102 North End Ave	New York	NY	10282
31	1	350 West Valley Pkwy	Escondido	CA	92025
32	1	1855 Airport Way	Fairbanks	AK	99701
34	1	2100 Louisiana Blvd NE	Albuquerque	NM	87110
35	1	3265 Northeast Expressway Access Rd	Chamblee	GA	30341
37	1	461 South Greenwood Park Dr	Greenwood	IN	46142
40	1	8630 Garfield Ave	South Gate	CA	90280
41	1	7501 Carson Blvd	Long Beach	CA	90808
50	1	176 Greece Ridge Center Dr	Rochester	NY	14626
51	1	1549 Gateway Blvd	Fairfield	CA	94533
53	1	4215 Black Horse Pike	Mays Landing	NJ	08330
74	1	777 West Lake Mead Pkwy	Henderson	NV	89015
75	1	300 Southpark Cir	Colonial Heights	VA	23834
83	1	2322 North Salisbury Blvd	Salisbury	MD	21801
84	1	10091 Jeb Stuart Pkwy	Glen Allen	VA	23059
87	1	3232 N John Young Pkwy	Kissimmee	FL	34741
93	1	8275 W Amarillo Blvd	Amarillo	TX	79124
98	1	8880 S Eastern Ave	Las Vegas	NV	89123
108	1	6707 Transit Rd	Williamsville	NY	14221
117	1	510 North Orlando Ave	Winterpark	FL	32789
119	1	2000 S Colorado Blvd	Denver	CO	80222
129	1	1101 Outlet Collection Way	Auburn	WA	98001
135	1	2707 South 25th E	Ammon	ID	83406
137	1	8755 Center Pkwy Dr	Sacramento	CA	95823
141	1	3131 East Main St	Mohegan Lake	NY	10547
143	1	6009 SW 244th St	Mountlake Terrace	WA	98043
145	1	2801 SW 27th Ave	Ocala	FL	34471
148	1	2951 Jamacha Rd	El Cajon	CA	92019
179	1	2751 Tapo Canyon Rd	Simi Valley	CA	93063
193	1	201 N Northpark Lane	Joplin	MO	64801
205	1	1935 Cinema Dr	Rock Hill	SC	29730
216	1	4101 E 42nd St	Odessa	TX	79762
222	1	1301 W Sunset Rd	Henderson	NV	89014
228	1	951 E Lewis And Clark Pkwy	Clarksville	IN	47129
229	1	3355 S Mooney Blvd	Visalia	CA	93277
237	1	5910 S 180th St	Tukwila	WA	98188
238	1	69348 Hwy 21	Covington	LA	70433
245	1	13782 Jamboree Rd	Irvine	CA	92602
263	1	365 Lancaster Dr SE	Salem	OR	97317
267	1	104 Constitution Dr	Virginia Beach	VA	23462

272	1	121 Tuckahoe Rd	Sewell	NJ	08080
275	1	2200 Lebanon Valley Mall	Lebanon	PA	17042
285	1	3300 Chambers Rd	Horseheads	NY	14845
295	1	2369 W Florida Ave	Hemet	CA	92545
297	1	1367 N Expressway	Griffin	GA	30223
298	1	3720 Main St	Manayunk	PA	19127
309	1	12884 City Center Blvd	Jacksonville	FL	32218
310	1	1739 Arden Way	Sacramento	CA	95815
316	1	2525 San Ramon Valley Blvd	San Ramon	CA	94583
327	1	10075 Town and Country Blvd	Noblesville	IN	46060
329	1	2625 Scottsville Rd	Bowling Green	KY	42103
331	1	151 American Blvd	Turnersville	NJ	08012
332	1	2274 Shattuck Ave	Berkeley	CA	94704
340	1	7420 South Ave	Youngstown	OH	44512
341	1	635 Fairfield Dr	Merced	CA	95348
344	1	9586 Destiny Usa Dr	Syracuse	NY	13204
359	1	107 Mill Rd	Staten Island	NY	10306
360	1	12921 Indian School NE	Albuquerque	NM	87112
368	1	505 S 20th St	Laramie	WY	82070
369	1	1350 SE Waverly Dr	Albany	OR	97322
372	1	101 F St	Davis	CA	95616
386	1	789 E Tahquitz Canyon Way	Palm Springs	CA	92262
388	1	2221 N Jackson	Tullahoma	TN	37388
393	1	1730 NW 9th St	Corvallis	OR	97330
405	1	5243 Buckeystown Pike	Fredrick	MD	21704
407	1	340 SW Morrison	Portland	OR	97204
411	1	5860 Harbour View Blvd	Suffolk	VA	23435
418	1	2 Galleria Mall Dr	Taunton	MA	02780
422	1	3400 Forest Dr	Columbia	SC	29204
424	1	2 River Colony Dr	Bossier City	LA	71111
428	1	6262 West Lane	Stockton	CA	95210
431	1	12285 Limonite Ave	Eastvale	CA	91752
432	1	500 Valley River Ctr	Eugene	OR	97401
433	1	123 Old State Rd at Rte 8	Lanesborough	MA	01237
439	1	1500 Oviedo Mall Blvd	Oviedo	FL	32765
442	1	454 Brookway Blvd	Brookhave	MS	39601
459	1	4155 State Route 31	Clay	NY	13041
462	1	3565 South Platte River Dr	Sheridan	CO	80110
464	1	1000 West Oaks Mall	Houston	TX	77082
475	1	648 Market St	Grand Junction	CO	81505
476	1	631 Richmond Rd	Richmond Heights	OH	44143
478	1	14716 Baltimore Ave	Laurel	MD	20707
479	1	760 W Broad St	Boise	ID	83702
482	1	2401 Mall Dr	North Charleston	SC	29406
483	1	111 East Puainako St	Hilo	HI	96720
487	1	100 Town Center East	Santa Maria	CA	93454
488	1	9741 Chapman Ave	Garden Grove	CA	92841
499	1	1441 Tamiami Trail	Port Charlotte	FL	33948
502	1	1351 W Imperial Hwy	La Habra	CA	90631
509	1	495 Union St	Waterbury	CT	06706
520	1	3290 NW Federal Way	Jensen Beach	FL	34957
527	1	420 G St	Davis	CA	95616
532	1	680 SW Powerhouse Dr	Bend	OR	97702

538	1	401 S Mt Juliet Rd	Moint Juliet	TN	37122
540	1	2222 East 146th St	Carmel	IN	46033
554	1	4801 Cortez Rd W	Bradenton	FL	34210
557	1	1000 W Olympic Blvd	Los Angeles	CA	90015

## FORMS AND ENDORSEMENTS

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

Form or Endorsement Number	Form or Endorsement Name
----------------------------	--------------------------



## STATE AMENDATORY ENDORSEMENTS

Endorsement Number	Endorsement Name
--------------------	------------------

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

**COMMUNICABLE DISEASE AND BED BUG DECONTAMINATION COST ENDORSEMENT**

The following PROPERTY DAMAGE COVERAGE AND LIMITATION is added to SECTION II, **D.** of this Policy:

*COMMUNICABLE DISEASE* and BED BUG DECONTAMINATION COSTS

- a. If **your covered property** at a covered **location** shown on the Schedule of this endorsement is contaminated by a *communicable disease* or bed bugs as the direct result of a **covered loss**, and there is in force at the time of that **covered loss** a law or ordinance that requires **you** to decontaminate that **covered property** as a result of this contamination by a *communicable disease*, **we** will pay up to the limit as specified in the LIMITS OF LIABILITY Table in the Declarations in any one (1) **occurrence** for those decontamination costs incurred by **you**, but only to satisfy the minimum requirements of that applicable law or ordinance.
- b. **We** will not pay under this endorsement, however, for:
  - (1) Any cost of removing contaminated property, or the cost to clean up the **contamination** for property not owned by **you** whether or not the **contamination** results from a **covered loss**; or
  - (2) Any costs associated with any other **contamination** loss.
- c. For purposes of this extension the italicized term *communicable disease* means a viral or bacterial organism that is capable of inducing disease, illness, physical distress or death.

**Schedule**

**Covered Location**

All Covered Locations.

Policy Number MLP 1150953-01  
Issued by Zurich American Insurance Company

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

**GREEN BUILDINGS ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**A. We** provide the following PROPERTY DAMAGE COVERAGE AND LIMITATION for a **covered loss** as specified in the LIMITS OF LIABILITY AND TIME LIMITS Table in the Schedule of this endorsement, subject to the terms, conditions and exclusions of this Policy:

GREEN BUILDINGS RECERTIFICATION

**a. We** cover the following resulting from a **covered loss** at a covered **location** that has been certified as a Green Building by either the U.S. Green Building Council's LEED® Certification Program or the Green Globes™ Certification Program:

- (1) Costs and expenses **you** incur to recertify **your covered property** that has been certified as a Green Building to the same certification level (or, at **your** option, one (1) certification level higher) that existed at the time of the **covered loss**;
- (2) Any engineering or professional oversight required for recertification;
- (3) Any testing or documentation that the reconstruction was performed as required for recertification;
- (4) Any temporary HVAC systems used during reconstruction as required for recertification;
- (5) The cost incurred for ventilating **your** reconstructed Green Building with outdoor air for the minimum time and period required for recertification, but not exceeding four (4) consecutive weeks;
- (6) Any fee **you** incur for recertification;
- (7) The additional cost of recycling (as opposed to disposing of) **your** debris, however **we** will not pay more than the applicable LIMIT OF LIABILITY for DEBRIS REMOVAL;
- (8) Direct physical loss or damage to Vegetative Roofing System(s) consisting of soils, grass, trees, flowers or other vegetation, provided that such loss or damage is not caused by:
  - (a) Disease, drought, freezing, thawing, or the presence, pressure or weight of ice, water or snow; or
  - (b) Any substance or organism, whether organic or inorganic, that feeds on, destroys, or is capable of damaging any Vegetative Roofing System(s), but is not a substance or organism, whether organic or inorganic, that is capable of damaging the other components of **real property** at that covered **location**.

**B. TIME ELEMENT COVERAGES** are extended to include the following, subject to all Policy terms, conditions and exclusions, and the time, distance and/or dollar amounts specified in the LIMITS OF LIABILITY AND TIME LIMITS Table in the Schedule of this endorsement:

GREEN BUILDINGS PERIOD OF LIABILITY

- a. If **you** elect to recertify **your covered property** or upgrade to Green Materials as provided by paragraph 1. of this endorsement, then the PERIOD OF LIABILITY associated with that **covered loss** will include the minimum additional time necessary for **you** to recertify **your** Green Building(s) or upgrade to Green Materials with due diligence and dispatch. In no event, however, will the PERIOD OF LIABILITY exceed the number of consecutive months shown in the Schedule of this endorsement, from the date of the **covered loss**.

All other terms and conditions remain unchanged.

Schedule

COVERAGE	LIMITS OF LIABILITY AND TIME LIMITS
GREEN BUILDINGS RECERTIFICATION GREEN BUILDINGS PERIOD OF LIABILITY	\$5,000,000  12 consecutive months

Policy Number MLP 1150953-01  
Issued by Zurich American Insurance Company

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

**VALUES AT RISK AND PREMIUM ADJUSTMENT**

**Your** premium will be adjusted each year or at cancellation of this Policy as follows:

- A.** **You** will submit to **us** a complete statement of values of all **covered property** within thirty (30) days after the end of each Policy year or the date of cancellation. The statement of values will include the total values of all **covered property**.
- B.** An adjustment of premium will be made if the average values computed are greater than or less than 5% of the total values submitted at the beginning of the Policy year. Premium will be calculated on a pro-rata basis from the date the **covered property** was acquired.
- C.** If values fluctuate by more than 5%, **your** adjustment will be based upon the average of the total values of all **covered property** at the beginning of the Policy year and the total values of all **covered property** insured at the end of the Policy year or cancellation date. The average values multiplied by an annual rate of 0.0939 will result in the adjusted earned premium for the Policy year. If the adjusted earned premium is greater than the premium at the beginning of the Policy year, **you** will pay the difference to **us**. If the adjusted earned premium is less than the premium at the beginning of the Policy year, **we** will pay the difference to **you**.

**You** will keep **your** applicable records for each Policy year, and permit **us** to inspect them as often as **we** reasonably require:

- D.** During normal business hours;
- E.** For a period of twelve (12) months after the end of the Policy period or after any cancellation date.

Policy Number MLP 1150953-01  
Issued by Zurich American Insurance Company

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

**ADDITIONAL INSURED**

This endorsement modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**We** will provide insurance under this Policy to each of the persons or organizations shown as an additional insured on the Schedule of this endorsement.

**We** will adjust any **covered loss** only with **you**.

**We** will make **our** payment jointly to **you** and any person or organization shown on the Schedule.

This endorsement applies only to **covered property** shown on the Schedule.

Schedule

Additional Insured	<b>Covered Property</b> Address	Interest of Additional Insured
Per certificates and/or schedule on file with us.		

All other terms and conditions remain unchanged.

Policy Number MLP 1150953-01  
Issued by Zurich American Insurance Company

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

**ADDITIONAL NAMED INSURED**

This endorsement modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

**We** will provide insurance under this Policy to each of the persons or organizations shown as an additional named insured on the Schedule of this endorsement.

**We** will adjust any **covered loss** only with **you**.

**You** will pay the premium for the insurance **we** provide to the additional named insureds. In the event that **you** become bankrupt or insolvent, each additional named insured shall pay the premium for the insurance it receives.

**We** will make **our** payment jointly to **you** and any person or organization shown on the Schedule.

Schedule

Additional Named Insured	Location
Per certificates and/or schedule on file with us.	

All other terms and conditions remain unchanged.

Policy Number MLP 1150953-01  
Issued by Zurich American Insurance Company

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

**REMOVAL OF VACANCY CONDITION**

This endorsement modifies insurance provided under the following:

PREMIER PROPERTY PROTECTOR™

The VACANCY condition of SECTION V – GENERAL POLICY CONDITIONS does not apply to the **location(s)** shown in the Schedule of this endorsement.

Schedule

<b>Location(s)</b>
All Covered Locations.

All other terms and conditions remain unchanged.



Policy Number MLP 1150953-01  
Issued by Zurich American Insurance Company

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

**SCHEDULE OF LENDERS OR MORTGAGEES**

<b>Location</b>	Description of Property	Name and Address of Lender or Mortgagee	Interests ("L" for Lender) ("M" for Mortgagee)
Per certificates and/or schedule on file with us.			



ZURICH

# Exclusion of Loss Resulting from Certified Acts of Terrorism with Exceptions and Sub-Limits

Insured Name Crown Intermediate Holdco, Inc.	Policy Number MLP 1150953 -01	Effective Date 6/1/2019	Endorsement Number . 1
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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies your insurance:

## Crown Intermediate Holdco, Inc.

The following exclusion and limitations apply to all loss or damage under all coverage(s) of the policy and for all locations (whether or not identified in this endorsement).

### A. Terrorism Exclusion

We will not pay for loss or damage caused directly or indirectly by a “certified act of terrorism”, including action in hindering or defending against an actual or expected “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.

### B. Exceptions to the Terrorism Exclusion

- 1. Fire Following Exception.** If the “certified act of terrorism” results in fire, we will pay for the direct physical loss or damage to Covered Property caused by that fire. This exception does not apply to any other loss or damage including but not limited to business income, extra expense, any additional coverage and any coverage extension. Regardless of the method of valuation otherwise stated for the property, we will value the property subject to this exception at actual cash value.
- 2. Scheduled Locations Exception.** If locations are identified in the Schedule of Locations of this endorsement, the Terrorism Exclusion does not apply to loss or damage at those locations.

### C. Sub-Limits of Insurance Applicable to Terrorism

These sub-limits apply to all loss or damage resulting from a “certified act of terrorism” to which the Terrorism Exclusion does not apply for any reason, whether by application of an exception or otherwise, and for which the policy provides coverage. Our total payment(s) for loss or damage caused directly or indirectly by a “certified act of terrorism”, regardless of any other cause or event that contributes concurrently or in any sequence to the “certified act of terrorism”, shall not exceed the lesser of the applicable limit(s), including sub-limits, stated in the policy or:

- For the total amount of all loss or damage at a location identified in the Schedule of Locations of this endorsement, the applicable scheduled sub-limit stated in this endorsement for that location.
- For direct physical loss or damage to building and personal property at all other locations, the applicable Sub-Limit for All Other Locations stated in this endorsement.
- For the total amount of all loss or damage in any one policy year under all coverage(s) regardless of the number of locations involved or number of “certified acts of terrorism”, the Annual Aggregate Limit stated in this endorsement.

#### Schedule of Locations

Location	Sub-Limit per “certified act of terrorism”
1. NCP	\$ NCP
2. NCP	\$ NCP
3. NCP	\$ NCP
4. NCP	\$ NCP
5. NCP	\$ NCP

**Sub-Limit for All Other Locations:** \$2,500,000 in the aggregate per "certified act of terrorism".

**Annual Aggregate Limit:** \$2,500,000 regardless of the number of "certified acts of terrorism".

#### **D. Deductibles**

We will not pay for any otherwise covered loss or damage subject to the sub-limits of this endorsement until the amount of that loss or damage exceeds the applicable deductible(s) stated in this endorsement. We will then pay the amount of that loss or damage in excess of the deductible(s) up to the applicable sub-limit of insurance. The deductible amounts are:

1. For loss or damage at locations identified in the Schedule of Locations of this endorsement, \$\_\_\_\_\_ per location for each "certified act of terrorism".
2. For all other locations: \$\_\_\_\_\_ per location and for each "certified act of terrorism".

If no amount appears in the applicable line, the policy deductible(s) apply.

#### **E. Definition**

"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 ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

#### **F. Application of Other Exclusions**

The terms and limitations of a terrorism exclusion or any other exclusion, or the inapplicability or omission of a terrorism exclusion or any other exclusion, do not serve to create coverage which would otherwise be excluded, limited or restricted under this policy.

#### **G. Cap on Losses From Certified Acts of Terrorism**

If aggregate insured losses attributable to one or more "certified acts of terrorism" exceed \$100 billion in a calendar year (January 1 through December 31) 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 Treasury.

All other terms and conditions of this policy remain unchanged.

# Absolute Terrorism Exclusion (Foreign Locations)



Insureds Name	Policy Number	Effective Date	Endorsement Number
Crown Intermediate Holdco, Inc	MLP 1150953-01	6/1/2019	2

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

This endorsement modifies insurance provided by:

**If any other terrorism exclusion is attached to this Policy, this endorsement may completely bar coverage even if the other terrorism exclusion attached to this Policy does not apply because of an exception to that other exclusion.**

**The following is added to the Exclusion section of the Policy:**

We will not pay for any loss or damage caused directly or indirectly, in whole or in part, by **Terrorist Activity** or any activity or decision of a governmental agency or other entity to prevent, respond to or terminate **Terrorist Activity**. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

**Terrorist Activity**, as used in this endorsement, means:

1. Any act which is unlawful under the laws of the place where it is committed and which involves any of the following:
  - a. The hijacking or sabotage of any conveyance (including an aircraft, vessel, or vehicle).
  - b. The seizing or detaining, and threatening to kill, injure, or continue to detain, another individual in order to compel a third person (including a governmental organization) to do or abstain from doing any act as an explicit or implicit condition for the release of the individual seized or detained.
  - c. A violent attack upon an internationally protected person (as defined in section 1116(b)(4) of title 18, United States Code) or upon the liberty of such a person.
  - d. An assassination.
  - e. The use of any—
    - (1) biological agent, chemical agent, or nuclear weapon or device, or
    - (2) explosive or firearm (other than for mere personal monetary gain),with intent to endanger, directly or indirectly, the safety of one or more individuals or to cause substantial damage to property.
  - f. A threat, attempt, or conspiracy to do any of the foregoing.

**All other terms, conditions and limitations of this Policy remain unchanged.**

- g. Any act or acts deemed or declared by any government official, law enforcement agency, intelligence agency, or other public authority to be terrorism or terrorist act(s).

and

- 2. The act or loss resulting from the act takes place anywhere in the **coverage territory** unless both the act and the subject loss take place:
  - a. within the United States;
  - b. on or to an air carrier (as defined in section 40102 of title 49, United States Code);
  - c. on or to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States);  
or
  - d. at the premises of a United States mission.

**All other terms, conditions and limitations of this Policy remain unchanged.**

# International Property Endorsement



Insureds Name	Policy Number	Effective Date	Endorsement Number
Crown Intermediate Holdco, INc.	MLP 1150953-01	06/01/2019	3

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

This Endorsement modifies insurance provided under this policy.

**1. Declarations-** Territory of the Insuring Agreement the following is added:

Loss or damage to locations in a **Prohibited Jurisdiction** is not covered under this policy.

**2. The Limits of Liability Sections of this policy are amended to include the following:**

**1. Overall International Insurance Program Limit and Sub-Limits of Insurance**

In consideration of the payment of the premium for your international insurance program, you and we agree that for the purpose of the application of the Limit of Insurance and any of the Sub-Limits of Insurance under this policy, the total sum of loss that could be payable for the same, **occurrence** under:

- a. this policy;
- b. **Specific Local Policy(ies)**; and the
- c. **FoS (Freedom of Services) policy(ies)**,

or any combination of the above mentioned policies (a., b. and c. hereafter referred to collectively as "the Policies") cannot exceed the applicable limits as shown in the Limits of Liability Sections of this policy.

**4. The Exclusions Section of this Policy is amended to add the following:**

Germany- This Policy excludes physical loss or damage directly or indirectly caused by or resulting from **Sturmflut**. For the purpose of this exclusion, **Sturmflut** means a flooding of dry land by storm driven waves on coastal areas, into bays or inland waters connected to the ocean or sea. The 'Federal German Office for Maritime Shipping and Hydrographic' will declare **Sturmflut**.

**5. The General Provisions Section of this policy is amended to include the following:**

**International Insurance Program Structure**

This policy is part of an international insurance program. This program arrangement is a compilation of different policies, which all have one common goal: to cover you as agreed to in this policy.

Therefore, you agree to special clauses regarding limits and deductibles with us, considering the overall intent of your international insurance program.

The following policies may be part of your international insurance program:

- this policy
- **Specific Local Policy(ies)**
- **FoS (Freedom of Services) policy(ies)**

## Special Conditions regarding Aggregation

In the event that the applicable Sub-Limits of Insurance, Limit of Liability or any Aggregate Limit stated herein are exceeded by payments made under "the Policies" that the Company has confirmed to be issued, directed or placed as part of the international insurance program, the Insured agrees to reimburse the Company for any amount paid that exceeds such Sub-Limits of Insurance, Limit of Liability or any Aggregate Limit.

Any amount due to under the terms of this clause shall be paid by the Insured within 28 days notice from the Company. The Company will give details of the payment and advise the Insured where and to whom payment is to be made.

## Overall International Insurance Program Deductible

In consideration of the payment of the premium for your international insurance program, you and we agree that for the purpose of the application of the deductible(s) for loss payable under this policy, that the deductible(s) amounts applied under **Specific Local Policy(ies)** and **FoS (Freedom of Services) policy(ies)**, and this policy as applicable, for loss for the same occurrence, as payable under this policy, are added together. Deductibles that apply to types of coverage, **covered causes of loss**, specific locations, or specific property will be added together in the applicable policy(ies) in the same manner that they are applied under this policy.

In the event that the sum of deductible(s) produced by this calculation exceeds the applicable deductible(s) as shown in the Declarations Schedule for the loss for the same occurrence payable under this policy, the Company shall undertake to reimburse the amount that exceeds the applicable deductible(s) as shown in the Declarations Schedule of this policy.

In the event that the sum of deductible(s) produced by this calculation is less than the applicable deductible(s) as shown in the Deductibles Section for the loss for the same occurrence payable under this policy, then the difference between the applicable deductible under this policy and the sum calculated above will be applied under this policy.

## 6. Loss Conditions section of this policy is amended to include the following additional conditions:

### 1. Duties as respects direct physical loss or damage in a **Prohibited Jurisdiction**:

The duties and requirements imposed upon any insured under this policy shall not apply in any **Prohibited Jurisdiction**. However, with respect to any direct physical loss or damage in a **Prohibited Jurisdiction**, it shall be the duty of the first Named Insured to do or to cause the applicable subsidiary to do such things as would be required of such subsidiary if this policy applied directly to such claim or "suit", as the case may be.

When the amount of direct physical loss or damage is determined, we will promptly pay to or reimburse the first Named Insured, at the mailing address listed in the Declarations, the amount of physical loss or damage covered under the terms of this policy.

The following term(s) wherever used in this Endorsement means:

**Covered Cause of Loss** means all risks of direct physical loss or damage, unless excluded.

**FoS (Freedom of Services) Policy** means a policy which only covers risks and locations in the **EEA**. **EEA** means the European Economic Area; within this area, free provision of services in all countries without any additional insurance license is allowed.

**Specific Local Policy** -means a policy, effective on or after the effective date of this policy but prior to its expiration date, which has been issued in a country within the coverage territory and has been issued at our direction, coordinated by us, or otherwise specifically issued for this international insurance program.

**All other terms and conditions of this policy remain unchanged.**

# Exhibit C



Allianz Global Corporate & Specialty®

# Insurance policy

## Commercial Lines Policy

Allianz Global Risks US Insurance Company  
225 West Washington Street, Suite 1800, Chicago, IL 60606-3484

**THIS POLICY CONSISTS OF:**

- **DECLARATIONS**
- **ONE OR MORE COVERAGE PARTS.**

**A COVERAGE PART CONSISTS OF:**

- **ONE OR MORE COVERAGE FORMS**
- **APPLICABLE FORMS AND ENDORSEMENTS**

**In Witness Whereof**, we have caused this policy to be executed and attested, and if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

Secretary



President and Chief Executive Officer



# Allianz Global Risks US Insurance Company

(A Stock Company)  
225 West Washington Street, Suite 1800  
Chicago, IL 60606-3484

## COMMON POLICY DECLARATIONS

Policy No.: **USP00074619**

Policy Period: From: **June 01, 2019**  
To: **June 01, 2020**

First Named Insured:  
**Crown Intermediate Holdco, Inc.**  
101 East Blount Avenue  
Knoxville, TN 37920  
USA

Producer:  
**Aon Risk Services South Inc**  
3550 Lenox Road, Northeast, Suite 1700  
Atlanta, GA 30326  
USA

Property Policy Premium		\$936,000.00
State Surcharges		\$672.00
FL Fire Surcharge	\$49.00	
FL EMPA Surcharge	\$4.00	
KY Surcharge	\$89.00	
MN Fire Safety Surcharge	\$3.00	
MN Fire Surcharge	\$10.00	
LA Citizens FPEA-00	\$169.00	
NJ PLIGA Surcharge	\$120.00	
NY Fire Fee	\$197.00	
TX Fire Assessment	\$13.00	
WV Surcharge	\$18.00	

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<b>TOTAL AMOUNT PAYABLE BY THE INSURED</b>		<b>\$936,672.00</b>
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# Allianz Global Risks US Insurance Company

## FORMS AND ENDORSEMENT LIST

**NAMED INSURED:** Crown Intermediate Holdco, Inc.  
**POLICY NUMBER:** USP00074619  
**EFFECTIVE DATE:** 6/1/2019

The following policy forms and endorsements have been attached to and made a part of the policy at inception.

FORM NAME	FORM NUMBER	EDITION DATE
Policyholder Notice - All States	AGR-IL 8001 (07-14)	07/2014
Policyholder Notice - OFAC	AGR-IL 8003 (01-05)	01/2005
Crown Intermediate Holdco, Property Insurance Policy	No Form No. Assigned	06/2019
Standard Fire Policy Provisions Endorsement	AGR-CP 4005 (11-07)	11/2007
Asbestos and Related Materials Exclusion Endorsement	AGR-CP 5100 (02-05)	02/2005
Deductibles Endorsement	AGR-CP 3107 (11-10)	11/2010
Fungi Limitation Endorsement	AGR-CP 5106 (05-07)	05/2007
Participation Endorsement	AGR-CP 1012 (06-08)	06/2008
Pollution and Contamination Exclusion Endorsement	AGR-CP 5103 (02-05)	02/2005
Sanction Limitation and Exclusion Endorsement	AGR-CP 5125 (10-14)	10/2014
Terrorism Endorsement: Certified Act of Terrorism Exclusion	AGR-IL 5T44 (01-15)	01/2015

## **POLICYHOLDER NOTICE - ALL STATES**

Allianz Global Risks US Insurance Company  
24 Hour Emergency Claims Service

### **TO OBTAIN INFORMATION, FILE A CLAIM OR TO MAKE A COMPLAINT:**

You may call Allianz Global Risks US Insurance Company's toll free number at:

**Phone: 1 (800) 558 1606 [or 1 (314) 513 1353 from outside the United States]**

**Fax: 1 (888) 323 6450 [or 1 (314) 513 1345 from outside the United States]**

**To report a claim via e-mail: [NewLoss@agcs.allianz.com](mailto:NewLoss@agcs.allianz.com)**

You may also write to:

Allianz Global Corporate & Specialty  
Attn: FNOL Claims Unit  
One Progress Point Parkway  
3rd Floor  
O'Fallon, MO 63368

### **ATTACH THIS NOTICE TO YOUR POLICY:**

This notice is for information only and does not become a part or condition of the attached document.

## POLICYHOLDER NOTICE - OFAC

### 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.

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## SECTION I - DECLARATIONS

### A. FIRST NAMED INSURED AND MAILING ADDRESS

Crown Intermediate Holdco, Inc. and any subsidiary, and the interest of Crown Intermediate Holdco, Inc. in any partnership or joint venture in which Crown Intermediate Holdco, Inc. has management control, ownership, or is obligated to insure, as now constituted or hereafter is acquired, as the respective interest of each may appear; all hereafter referred to as **you** or **yours**, including legal representatives.

When any Insured described above is a party to a written contract or agreement on file that requires a legal entity to be identified as an additional insured under this Policy, this Policy includes the legal entity as an additional insured, as its interest may appear, for physical damage to **covered property** which is the subject of the written contract or agreement on file, before any loss occurs; and does not provide any TIME ELEMENT Coverage to the legal entity, except as provided under LEASEHOLD INTEREST of this Policy or as specifically endorsed to the Policy.

101 E Blount Ave  
Knoxville, TN 37920

### B. POLICY PERIOD

The term of this Policy is from June 1, 2019 to June 1, 2020 at 12:01 a.m., local time. In the event of a claim, the Policy period is measured by local time at the **location** where the direct physical loss or damage occurs.

### C. INSURING AGREEMENT

In consideration of this Policy's Provisions, Conditions, Stipulations, LIMITS OF LIABILITY and of premium charged, **we** cover property, as described in this Policy, against all risks of direct physical loss or damage, except as hereinafter excluded or limited, while located as described in this Policy.

### D. PREMIUM

This Policy is issued in consideration of the following initial premium inclusive of any premium shown on endorsements which are part of the Policy at the time of issue.

### E. PREMIUM PAYABLE

The First Named Insured pays the premium under this Policy, and any return of the paid premium accruing under this Policy will be paid to the account of the First Named Insured.

Premiums will be paid in the currency designated in paragraph I. CURRENCY.

## F. COVERED LOCATION(S)

This Policy applies at a **location(s)**:

1. Listed on a SCHEDULE on file with **us**;
2. Listed on the SCHEDULE attached to this Policy;
3. Covered as a **Miscellaneous Unnamed Location**; or
4. Covered under the terms and conditions of the NEWLY ACQUIRED **LOCATIONS** Coverage or ERRORS AND OMISSIONS Coverage.

## G. TERRITORY

Coverage under this Policy applies to **covered property** worldwide except coverage does not apply in: Afghanistan, Albania, Algeria, Angola, Armenia, Aksai Chin and Trans- Karakoram Tract in People's Republic of China, Azerbaijan, Bangladesh, Belarus, Belize, Benin, Botswana, Burkina Faso, Burundi, Cambodia (Kampuchea), Cameroon, Cape Verde, Central African Republic, Chad, Chechen Republic of the Russian Federation, Comoros, Cote D'Ivoire, Cuba, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Fiji, Gabon, Gambia, Gaza Strip, West Bank and territories north of Latitude 32.80 N in Israel, Georgia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Iran, Iraq, Ivory Coast, Jammu and Kashmir in India, Kazakhstan, Kyrgyzstan (Kyrgyz Republic), Laos, Lebanon, Lesotho, Liberia, Libya, Macedonia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mayotte, Moldova, Mongolia, Montenegro, Montserrat, Mozambique, Myanmar (Burma), Namibia, Nepal, Niger, Nigeria, North Korea, Pakistan, Palestine, Papua New Guinea, Republic of the Congo, Reunion, Rwanda, Sao Tome' and Principe', Senegal, Serbia, Sierra Leone, Somalia, Sri Lanka, South Sudan, Sudan, Swaziland, Syria, Tajikistan, Tanzania, Tibet, Togo, Turkmenistan, Uganda, Uzbekistan, Western Sahara, Yemen, Zambia, Zimbabwe; or Any nation with which United States companies are not permitted to do business, or which are or become subject to trade sanctions by the government of the United States. Whenever coverage provided by this Policy would be in violation of United States economic or trade sanctions, such coverage shall be null and void, and **we** will not be liable to make payments or provide defense under this Policy. In accordance with the United States Department of Treasury's Office of Foreign Assets Control (OFAC) regulations, or any applicable regulation promulgated by the U.S. Department of State, 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 will be immediately subject to OFAC. When an insurance Policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

## H. JURISDICTION

The validity and interpretation of this Policy shall be governed by and construed in accordance with the laws of the State of New York.

Any disputes arising hereunder will be exclusively subject to a State or Federal jurisdiction within the United States of America.

## I. CURRENCY

All amounts, including deductibles and LIMITS OF LIABILITY, indicated in this Policy are in U.S. Dollars unless otherwise indicated by the three-letter currency designator as defined in Table A.1 Currency and Funds code list, International Standards Organization (ISO) 4217, edition effective at inception of this Policy.

## J. DEFINED WORDS

Words in bold face type have special meanings in this Policy and are defined in the DEFINITIONS section of this Policy. These definitions apply to this entire Policy and to any endorsements to it. Definitions that apply to individual sections or paragraphs are italicized and defined in the applicable sections or paragraphs.

## K. LIMITS OF LIABILITY

When a POLICY LIMIT OF LIABILITY is specified in the LIMITS OF LIABILITY Table in the Declarations, **our** maximum LIMIT OF LIABILITY in an **occurrence**, including any insured TIME ELEMENT loss, will not exceed the stated POLICY LIMIT OF LIABILITY.

1. When a PROPERTY DAMAGE and TIME ELEMENT LIMIT OF LIABILITY is specified in the LIMITS OF LIABILITY Table in the Declarations, it will apply to all coverages provided throughout this Policy, unless a LIMIT OF LIABILITY or "NCP" (No Coverage Provided) is indicated.
  - a. When a LIMIT OF LIABILITY is specified in the LIMITS OF LIABILITY Table in the Declarations, such limit will be the maximum amount payable for such loss or damage and cannot be combined with any other LIMIT OF LIABILITY.
  - b. If "NCP" is specified in the LIMITS OF LIABILITY, there is no coverage provided in this Policy.
2. LIMITS OF LIABILITY in an **occurrence** apply to the total loss or damage at all **locations** and for all coverages involved, including any insured TIME ELEMENT loss, subject to the following provisions:
  - a. When a LIMIT OF LIABILITY that applies in the aggregate during any Policy year is shown, **our** maximum amount payable will not exceed such LIMIT OF LIABILITY during any Policy year.
  - b. When a LIMIT OF LIABILITY applies to a **location(s)**, specified property, DESCRIBED LOSSES or a specific coverage, the smallest applicable LIMIT OF LIABILITY will be the maximum amount payable.
  - c. Should an **occurrence** result in liability payable under more than one Policy issued to **you** by **us**, or by **our** subsidiaries, partners, or associated insurance companies, the maximum amount payable in the aggregate under all such policies will be the applicable LIMIT(S) OF LIABILITY indicated in this Policy.
  - d. When a LIMIT OF LIABILITY applies to TIME ELEMENT only, **our** maximum amount payable will not exceed such LIMIT OF LIABILITY per **occurrence**.
3. LIMITS OF LIABILITY specified below or elsewhere in this Policy do not increase and are part of and not in addition to the POLICY LIMIT OF LIABILITY or the PROPERTY DAMAGE and TIME ELEMENT LIMIT OF LIABILITY.
4. LIMITS OF LIABILITY apply per **occurrence** unless otherwise specified, including time and distance limits.

LIMITS OF LIABILITY TABLE – PART ONE

COVERAGE	LIMITS OF LIABILITY AND TIME AND DISTANCE LIMITS
POLICY LIMIT OF LIABILITY	\$250,000,000
ACCOUNTS RECEIVABLE	\$25,000,000
<i>ATTRACTION PROPERTY</i>	1 statute miles from a covered <b>location</b> 30 consecutive days, not to exceed \$10,000,000
BRANDS AND LABELS	\$2,500,000
CIVIL OR MILITARY AUTHORITY	1 statute miles from a covered <b>location</b> 60 consecutive days, not to exceed \$10,000,000
COINSURANCE DEFICIENCY AND CURRENCY DEVALUATION	\$100,000
COMPUTER SYSTEMS NON PHYSICAL DAMAGE and DATA, PROGRAMS OR SOFTWARE, combined	\$500,000
CONTINGENT TIME ELEMENT <ul style="list-style-type: none"> <li>• <i>Direct Dependent Contingent Time Element</i> <b>Location(s):</b> Not Scheduled or on file with <b>us</b></li> <li>• <i>Indirect Dependent Contingent Time Element</i> <b>Location(s):</b> Not Scheduled or on file with <b>us</b></li> </ul>	\$10,000,000   NCP
CONTROL OF DAMAGED GOODS	\$100,000
COURSE OF CONSTRUCTION	\$25,000,000
CRISIS MANAGEMENT	30 consecutive days, not to exceed \$1,000,000
DEBRIS REMOVAL	\$25,000,000
DECONTAMINATION COSTS	\$1,000,000
DEFERRED PAYMENTS	\$1,000,000
DELAY IN STARTUP	\$1,000,000
DEMOLITION AND INCREASED COST OF CONSTRUCTION	\$25,000,000

DIFFERENCE IN CONDITIONS / DIFFERENCE IN LIMITS	\$1,000,000
ERRORS AND OMISSIONS	\$25,000,000
EXPEDITING EXPENSE	\$10,000,000
EXTENDED PERIOD OF LIABILITY	365 consecutive days
EXTRA EXPENSE	\$25,000,000
FINANCIAL INTEREST COVERAGE	\$1,000,000
<b>FINE ARTS</b>	\$10,000,000
FIRE DEPARTMENT SERVICE CHARGES	\$250,000
<i>GROSS PROFIT</i>	12 months
IMPOUNDED WATER	30 consecutive days, not to exceed \$5,000,000
INGRESS / EGRESS	1 statute miles from a covered <b>location</b> 60 consecutive days, not to exceed \$10,000,000
LAND AND WATER CLEANUP, REMOVAL AND DISPOSAL in the <b>annual aggregate</b>	\$1,000,000
LEASEHOLD INTEREST	\$10,000,000
MISCELLANEOUS <b>PERSONAL PROPERTY</b>	\$1,000,000
<b>Miscellaneous Unnamed Locations</b>	\$10,000,000
Mold, Mildew or Fungus directly resulting from a <b>Covered Loss</b>	\$1,000,000
NEIGHBOR'S RECOURSE AND TENANT'S LIABILITY	\$250,000
NEWLY ACQUIRED <b>LOCATIONS</b>	120 consecutive days, not to exceed \$25,000,000
NONADMITTED TAX LIABILITY	\$250,000
OFF PREMISES INTERRUPTION OF SERVICES – PROPERTY DAMAGE and OFF PREMISES INTERRUPTION OF SERVICES – TIME ELEMENT	\$25,000,000

<b>Ordinary Payroll</b>	365 consecutive days
PROFESSIONAL FEES	\$500,000
<b>RADIOACTIVE CONTAMINATION</b>	\$100,000
RENTAL INSURANCE	\$2,500,000
RESEARCH AND DEVELOPMENT	\$1,000,000
<i>SOFT COSTS</i>	\$2,500,000
TAX LIABILITY	\$1,000,000
TRANSIT	\$5,000,000
<b>VALUABLE PAPERS AND RECORDS</b>	\$25,000,000
MOVIE FILMS OWNED BY THIRD PARTIES <b>YOU ARE REQUIRED TO INSURE.</b>	\$2,500,000

LIMITS OF LIABILITY TABLE – PART TWO

COVERAGE	LIMITS OF LIABILITY AND TIME AND DISTANCE LIMITS
<i>EARTH MOVEMENT</i> in the <b>annual aggregate</b>	\$100,000,000
except the following limits apply per <b>occurrence</b> and in the <b>annual aggregate</b> , and are part of and not in addition to the <i>EARTH MOVEMENT annual aggregate</i> limit:	
<ul style="list-style-type: none"> <li>• <b>Covered property</b> situated in: California Earth Movement, Puerto Rico Earth Movement.</li> </ul>	\$25,000,000
Alaska Earth Movement, Hawaii Earth Movement.	\$35,000,000
New Madrid Earth Movement - Zone 1, New Madrid Earth Movement - Zone 2.	\$50,000,000
Pacific NW Earth Movement Zone.	\$50,000,000



<p><b>EARTH MOVEMENT SPRINKLER LEAKAGE</b> in the <b>annual aggregate</b></p> <p>except the following limits apply per <b>occurrence</b> and in the <b>annual aggregate</b>, and are part of and not in addition to the <b>EARTH MOVEMENT SPRINKLER LEAKAGE annual aggregate</b> limit:</p> <ul style="list-style-type: none"> <li>• <b>Covered property</b> situated in: California Earth Movement, Puerto Rico Earth Movement.</li>   <li>Alaska Earth Movement, Hawaii Earth Movement.</li>   <li>New Madrid Earth Movement - Zone 1, New Madrid Earth Movement - Zone 2.</li>   <li>Pacific NW Earth Movement Zone.</li> </ul>	<p style="text-align: right;">\$100,000,000</p> <p style="text-align: right;">\$25,000,000</p> <p style="text-align: right;">\$35,000,000</p> <p style="text-align: right;">\$50,000,000</p> <p style="text-align: right;">\$50,000,000</p>
<p><b>EQUIPMENT BREAKDOWN</b></p> <p>PROPERTY DAMAGE and TIME ELEMENT except: The following limits are part of and not in addition to the EQUIPMENT BREAKDOWN limits specified above:</p> <ul style="list-style-type: none"> <li>• Ammonia <b>Contamination</b></li>   <li>• CONTINGENT TIME ELEMENT</li>   <li>• Spoilage Damage</li> </ul>	<p style="text-align: right;">Included</p> <p style="text-align: right;">\$1,000,000</p> <p style="text-align: right;">\$5,000,000</p> <p style="text-align: right;">\$1,000,000</p>
<p><b>FLOOD</b> in the <b>annual aggregate</b></p> <p>except the following limits apply per <b>occurrence</b> and in the <b>annual aggregate</b>, and are part of and not in addition to the <b>FLOOD annual aggregate</b> limit:</p> <ul style="list-style-type: none"> <li>• <b>Covered property at locations</b> situated in: Flood Hazard – High</li>   <li>Flood Hazard - Moderate</li> </ul>	<p style="text-align: right;">\$100,000,000</p> <p style="text-align: right;">\$25,000,000</p> <p style="text-align: right;">\$50,000,000</p>
<p><b>NAMED STORM</b></p>	<p style="text-align: right;">Included</p>

ENDORSEMENT LIMITS OF LIABILITY

Endorsement Number	Endorsement Name	LIMITS OF LIABILITY
SL9101R1	Exclusion of Certified Acts of Terrorism	TRIA Rejected
PZ 00 01 08 16	COMMUNICABLE DISEASE AND BED BUG DECONTAMINATION COST per <b>occurrence</b> and in the <b>annual aggregate</b>	\$250,000
PY 03 03 01 17	GREEN BUILDINGS ENDORSMENT	\$5,000,000 12 Months
PY 04 10 01 17	REMOVAL OF VACANCY CLAUSE	All Locations
PY 05 01 01 18	TERRORISM EXCLUSION AMENDMENT	Applies
PZ 00 09 08 16	VALUES AT RISK AND PREMIUM ADJUSTMENT	Applies

**L. CANCELLATION TIME SPECIFICATIONS**

Cancellation for Nonpayment of Premium	Ten (10) days
Cancellation for All Reasons Other Than Nonpayment of Premium	60 days

**M. DEDUCTIBLES**

Subject to the Deductible General Provisions stated below, **we** will not pay unless a **covered loss**, including any insured TIME ELEMENT loss, exceeds the deductible(s) specified below. **We** will then pay the amount of **covered loss** in excess of the deductible, up to the applicable LIMIT OF LIABILITY.

Deductible General Provisions

**We** will be liable only if **you** sustain a **covered loss**, including any insured TIME ELEMENT loss, in a single **occurrence** greater than the applicable deductible specified. When this Policy insures more than one (1) **location**, the deductible(s) will apply against the total loss covered by this Policy in an **occurrence** unless otherwise stated.

1. Unless otherwise stated, if two or more deductibles apply to an **occurrence**, the total deductible will not exceed the largest applicable deductible, except as follows:
  - a. When a separate PROPERTY DAMAGE and TIME ELEMENT deductible apply, each will be applied separately.
  - b. If there are multiple **locations** involved in an **occurrence** where two or more deductibles apply to a **location** in an **occurrence**, the largest deductible applying to each **location** will be applied separately to each such **location**, regardless of the number of **locations** involved in the **occurrence**.

- c. Unless specified otherwise, if deductibles are specified for a **location**, the largest deductible applicable will be applied to that **location** regardless of the number of **locations** involved in the **occurrence**.
  - d. Equipment Breakdown: With regard to Equipment Breakdown coverage, if one or more deductible amounts are shown below, each will be applied separately.
  - e. The stated *EARTH MOVEMENT* deductible will be applied to *EARTH MOVEMENT* loss. The stated *FLOOD* deductible will be applied to *FLOOD* loss. The stated *NAMED STORM* deductible will be applied to *NAMED STORM* loss. Provisions **1.a.** and **1.b.** above will also be applied to each.
2. When a percent deductible is specified, whether separate or combined, the deductible amount will be determined as follows:
- a. **PROPERTY DAMAGE:** The percentage of the total reported values on file with **us** for the **covered property** at the corresponding **location(s)** (including sub-**locations**) where the direct physical loss or damage occurred; plus
  - b. **TIME ELEMENT:** The percentage of the full **TIME ELEMENT** values that would have been earned in the 12-month period following the **occurrence**, had no loss occurred, by use of the facilities at the **location** where the direct physical loss or damage occurred, plus that proportion of the full **TIME ELEMENT** values at all other **locations** where **TIME ELEMENT** loss ensues that was directly affected by use of such facilities and that would have been earned in the 12-month period following the **occurrence**.
  - c. **Equipment Breakdown:** The percentage of the gross amount of loss, damage or expense (prior any deductible) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.
3. When a minimum deductible is shown, the minimum deductible is the sum of:
- a. The specific **location** deductible for each covered **location** where the amount of physical loss or damage exceeds the specific **location** deductible; and
  - b. The amount of physical loss or damage for each covered **location** where the amount of physical loss or damage is less than the specific **location** deductible.
4. When an average daily value deductible is provided, this deductible will be determined as follows:
- a. The total amount of **TIME ELEMENT** loss applicable for the entire **location** where the direct physical loss or damage happens will be included.
  - b. Divide the result in Paragraph **a.** by the number of days the business would have been open during the **PERIOD OF LIABILITY**. The result is the average daily value.
  - c. Multiply the average daily value in Paragraph **b.** by the number of days specified in the **DEDUCTIBLE TABLE** below.

If more than one (1) **location** is included in the valuation of the loss, the average daily value will be the combined value of all affected **locations**.

5. When a per unit deductible is specified, the following shall be considered a separate unit of insurance:
  - a. Each separate building, the contents of each separate building and **covered property** in each yard at that covered **location**.
  - b. TIME ELEMENT loss as applicable, including all other **locations** where TIME ELEMENT loss ensues as provided by this Policy.
6. When a time deductible is shown, **we** will not be liable for any loss under that coverage that occurs during that specified time period immediately following the direct physical loss or damage. If a time deductible is shown in days, each day shall mean twenty four (24) consecutive hours.
7. When a deductible is shown in the Declarations for a *NAMED STORM*, the following applies:
  - a. All direct physical loss or damage to **covered property** including TIME ELEMENT loss caused by or resulting from a *NAMED STORM* will be subject to the deductible obtained by calculating all of the following:
    - (1) The sum of all applicable percentage deductibles calculated as described in Deductible General Provisions Item **2.** above, subject to any applicable minimums or maximums; and
    - (2) Any other applicable deductible amounts.

DEDUCTIBLE TABLE – PART ONE

Coverage	Deductible Percentage / Amounts
Policy Deductible (except as otherwise indicated) PROPERTY DAMAGE and TIME ELEMENT	\$100,000
All direct physical loss or damage to covered property (including any insured TIME ELEMENT loss) caused by or resulting from Hail or Wind other than wind associated with a NAMED STORM	2% per unit of insurance subject to \$250,000 minimum per location
MOVIE FILMS OWNED BY THIRD PARTIES <b>YOU ARE REQUIRED TO INSURE.</b>	\$5,000
COMMUNICABLE DISEASE AND BED BUG DECONTAMINATION COST	\$25,000

DEDUCTIBLE TABLE – PART TWO

Coverage	Deductible Percentage / Amounts
<i>EARTH MOVEMENT</i> except: <ul style="list-style-type: none"> <li><b>Covered property</b> situated in: California Earth Movement, Alaska Earth Movement, Hawaii Earth Movement, Puerto Rico Earth Movement.  Nevada Earth Movement, New Madrid Earth Movement - Zone 1, New Madrid Earth Movement - Zone 2, Pacific NW Earth Movement Zone.</li> </ul>	\$100,000  5% per unit of insurance subject to \$250,000 minimum  2% per unit of insurance subject to \$100,000 minimum
<i>EARTH MOVEMENT SPRINKLER LEAKAGE</i> except: <ul style="list-style-type: none"> <li><b>Covered property</b> situated in: California Earth Movement, Alaska Earth Movement, Hawaii Earth Movement, Puerto Rico Earth Movement.  Nevada Earth Movement, New Madrid Earth Movement - Zone 1, New Madrid Earth Movement - Zone 2, Pacific NW Earth Movement Zone.</li> </ul>	\$100,000  5% per unit of insurance subject to \$250,000 minimum  2% per unit of insurance subject to \$100,000 minimum
EQUIPMENT BREAKDOWN  PROPERTY DAMAGE and TIME ELEMENT	\$100,000

<p><i>FLOOD</i></p> <p>except:</p> <ul style="list-style-type: none"> <li>• <b>Covered property</b> at <b>locations</b> situated in: Flood Hazard - High</li> </ul> <p>Flood Hazard - Moderate</p>	<p>\$100,000</p> <p>\$500,000 Real Property \$500,000 Personal Property \$100,000 Other applying per location</p> <p>\$250,000 applying per location</p>
<p><i>NAMED STORM</i></p> <ul style="list-style-type: none"> <li>• <b>Locations</b> situated in: Named Storm Tier 1 - NC to TX, Named Storm Tier 2 - NC to TX, Named Storm Harris County, TX</li> </ul> <p>Named Storm Florida, Named Storm Hawaii.</p> <p>Named Storm Guam, Saipan, American Samoa, Puerto Rico, and the US Virgin Islands.</p> <p>Named Storm Global Zone 1.</p>	<p>2% per unit of insurance subject to \$100,000 minimum</p> <p>5% per unit of insurance subject to \$250,000 minimum</p> <p>5% per unit of insurance subject to \$250,000 minimum</p> <p>5% per unit of insurance subject to \$250,000 minimum</p>

**OCCURRENCE TIME SPECIFICATIONS**

<i>EARTH MOVEMENT</i>	continuous 72 hours
<i>NAMED STORM</i>	continuous 72 hours

**N. QUALIFYING PERIOD(S)**

A *qualifying period* applies for the coverages shown in the Table below. *Qualifying period* is the period of time that must be exceeded for coverage to apply. Once the *qualifying period* has been exceeded, coverage applies from the initial event of loss.

**QUALIFYING PERIOD TABLE**

Coverage	QUALIFYING PERIOD
COMPUTER SYSTEMS NON PHYSICAL DAMAGE and DATA, PROGRAMS OR SOFTWARE, combined	24 hours
CRISIS MANAGEMENT	24 hours
OFF PREMISES INTERRUPTION OF SERVICES – PROPERTY DAMAGE AND TIME ELEMENT	24 hours

## SECTION II – PROPERTY DAMAGE

### A. COVERED PROPERTY

1. **We** cover **your** insurable interest in the following types of property that are located at or within one-thousand (1,000) feet of a covered **location**, unless otherwise excluded:

a. **Real Property**, including new buildings, structures and additions in the **COURSE OF CONSTRUCTION**.

b. **Personal Property**, including *personal property of others*.

*Personal property of others* are tangible things that **you** do not own, other than **real property**, that:

(1) are sold by **you** and that **you** have agreed, prior to loss, to insure for the account of the purchaser during delivery;

(2) **you** have agreed in writing prior to any loss or damage to provide coverage;

(3) are in **your** care, custody or control;

(4) **you** have an insurable interest in, or an obligation to provide coverage;

(5) **you** are legally liable for;

(6) are improvements and betterments consisting of fixtures, alterations, installation or additions comprising part of a building not owned by **you** and acquired or made at **your** expense which **you** cannot legally move, but only to the extent of **your** insurable interest therein; or

(7) are **personal property** (other than vehicles) of **your** employees and officers.

2. **We** also cover the interest of contractors and subcontractors in **covered property** during construction at or within one-thousand (1,000) feet of a covered **location** to the extent of **your** legal liability for direct physical loss or damage to such property. Such interest of contractors and subcontractors is limited to the property for which they have been hired to perform work and such interest will not extend to any **TIME ELEMENT** coverage provided under this Policy.

### B. PROPERTY NOT COVERED

**We** do not cover the following types of property:

1. Aircraft, except when unfueled and manufactured by **you**;

2. Animals, standing timber including undisturbed natural wooded areas, or growing crops;

3. Bridges or tunnels, however pedestrian walkways connecting buildings are covered;

4. Caves, caverns, mines of any type, or any property contained within them;

5. Contraband or property in the course of illegal transportation or trade;

6. Currency, money, negotiable and non-negotiable instruments, notes or securities;

7. Dams, dikes, levees, docks, wharfs, piers or bulkheads;



8. **Electronic data**, computer programs or software, except when they are stock in process, finished stock manufactured by **you**, raw materials, supplies, other merchandise not manufactured by **you** or as provided in this Policy;
9. Land and any substance in or on land except this exclusion does not apply to **land improvements**;
10. **Land improvements** at a golf course;
11. Overhead transmission and distribution systems located more than one-thousand (1,000) feet away from a covered **location**;
12. *Personal property of others* that is in the care, custody or control of **you** or **your** affiliates for which **you** are acting as a warehouseman, bailee for hire, or carrier for hire.
13. Precious metals or precious stones, except when used in industrial or service operations;
14. Property in transit, except as otherwise provided by this Policy;
15. Property more specifically insured, except for any excess over any LIMITS OF LIABILITY of such more specific insurance;
16. Property sold by **you** under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to **your** customers, except as provided by the DEFERRED PAYMENTS coverage of this Policy;
17. Spacecraft, satellites, associated launch vehicles and any property contained therein;
18. Vehicles otherwise insured for physical loss or damage;
19. Water except this exclusion does not apply to water that is contained within any enclosed tank, piping system or any other processing equipment; or
20. Watercraft, except watercraft **you** manufacture and are part of **your** inventory while being stored un-fueled and on dry land at a covered **location**.

## C. EXCLUSIONS

The following exclusions apply unless otherwise stated in this Policy:

1. **We** do not cover:
  - a. Indirect or remote loss or damage;
  - b. Interruption of business, except to the extent provided by this Policy;
  - c. Loss of market or loss of use;
  - d. Loss or damage or deterioration arising from any delay;
  - e. Mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained loss;
  - f. Loss or damage from enforcement of any law or ordinance:
    - (1) Regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
    - (2) Requiring the demolition of any property, including the cost in removing its debris;

except as provided by the DECONTAMINATION COSTS and DEMOLITION AND INCREASED COST OF CONSTRUCTION coverages of this Policy;

- g. Loss resulting from the voluntary parting with title or possession of property if induced by any fraudulent act or by false pretense; or
  - h. Loss or damage caused by or resulting from freezing, disease or drought to landscape gardening, including plants, trees and shrubs.
2. **We** do not cover physical loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not insured under this Policy, contributing to the loss concurrently or in any other sequence:
- a. **Terrorism**, including action in hindering or defending against an actual or expected incident of **terrorism**, but this exclusion applies only when one of the following are attributed to an incident of **terrorism**:
    - (1) The **terrorism** is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive **contamination**; or
    - (2) Radioactive material is released, and it appears that one purpose of **terrorism** was to release such material; or
    - (3) The **terrorism** is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
    - (4) Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the **terrorism** was to release such materials; or
    - (5) Loss or damage to property located outside of the United States, unless there is a law in effect in the jurisdiction where the loss or damage occurs that expressly prohibits this exclusion; or
    - (6) The total of all damage to property, whether covered by this Policy or otherwise, exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, **we** will include all insured damage sustained by property of all persons and entities affected by the **terrorism** and business interruption (TIME ELEMENT) losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any **terrorism** exclusions. Multiple incidents of **terrorism** which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one (1) incident, for the purpose of determining whether the threshold is exceeded.

With respect to this item **2.a.(6)**, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of **terrorism** and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of **terrorism**, there is no coverage in this Policy.

However, this exclusion does not apply:

- (1) If **terrorism** results in fire, in which case **we** cover the direct physical loss or damage caused by the fire but only if there is a statute in effect in the jurisdiction where the loss or damage occurs that expressly prohibits the exclusion of fire losses resulting from **terrorism**. This exception is subject to all applicable Policy provisions including the LIMIT OF LIABILITY on the affected property. Such coverage for ensuing loss applies only to direct loss or damage by fire to **covered**

**property.** This coverage does not apply to insurance provided under any TIME ELEMENT coverages, or to fire legal liability coverage; or

(2) While the United States **Terrorism** Risk Insurance Act (TRIA), as amended, is in effect:

- (a) To loss or damage caused by a "Certified Act of **Terrorism**" provided that **you** elected coverage for such, and only to the extent provided by the terms and conditions of the applicable CERTIFIED ACTS OF **TERRORISM** AND DISCLOSURE PURSUANT TO **TERRORISM** RISK INSURANCE ACT endorsement; or
- (b) To loss or damage caused by **terrorism** that would have been certified as an "act of **terrorism**", but was not certified solely because the total of all property and casualty insurance losses resulting from the act failed to exceed the \$5,000,000 "certified act of **terrorism**" threshold specified under TRIA.

b. Nuclear reaction or nuclear radiation or radioactive **contamination**. However, this exclusion does not apply if:

(1) The RADIOACTIVE **CONTAMINATION** PROPERTY DAMAGE COVERAGE AND LIMITATION applies but only to the extent provided; or

(2) Fire directly results from the nuclear reaction, nuclear radiation, or radioactive **contamination**, in which case **we** cover the physical loss or damage caused by the fire but only if there is a statute in effect in the jurisdiction where the loss or damage happens that expressly prohibits the exclusion of fire losses resulting from nuclear reaction, radiation or **contamination**.

c. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by any:

(1) Government or sovereign power (de jure or de facto);

(2) Military, naval or air force; or

(3) Agent or authority of any party specified in (1) or (2) above.

d. Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.

e. The unlawful possession, use, release, discharge, dispersal or disposal of any chemical, biological, viral, radioactive or similar agents or matter, whether in time of peace or war and regardless of who commits the act.

f. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.

g. Seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.

h. Risks of contraband, or illegal transportation or trade.

i. Any criminal, fraudulent or dishonest act, including theft, committed alone or in collusion with others:

(1) By **you** or any proprietor, partner, director, trustee, officer or employee of an Insured; or

- (2) By any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by **you** to do anything in connection with property insured under this Policy.

However, **we** do cover direct physical loss or damage intentionally caused by **your** employee or any individual specified in (2) above provided that said individuals acted without **your** knowledge.

j. Lack of the following services:

- (1) Incoming electricity, fuel, water, gas, steam or refrigerant;
- (2) Outgoing sewerage; or
- (3) Incoming or outgoing voice, data or video,

all when caused by an event away from the covered **location** except as provided in the ON/OFF PREMISES INTERRUPTION OF SERVICES coverages of this Policy. But, if the lack of such a service causes physical loss or damage of the type insured by this Policy at a covered **location**, then only that resulting damage is covered.

3. **We** do not cover the following, but, if direct physical loss or damage not excluded by this Policy results, then **we** cover that resulting damage only:
  - a. Faulty workmanship, material, construction or design.
  - b. Loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.
  - c. Deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect.
  - d. Settling, cracking, shrinking, bulging, or expansion of:
    - (1) Foundations (including any pedestal, pad, platform or other property supporting machinery)
    - (2) Floors
    - (3) Pavements
    - (4) Walls, including retaining walls
    - (5) Ceilings
    - (6) Roofs
  - e. Extremes or changes in temperature (except to machinery or equipment) or changes in relative humidity, all whether atmospheric or not.
  - f. Cumulative effects of smog, smoke, vapor, liquid and dust.
  - g. Insect, animal or vermin damage.
  - h. Loss or damage to the interior portion of buildings under construction caused by rain, sleet or snow, whether or not driven by wind, when the installation of the roof, walls or windows of such buildings has not been completed.
4. **We** do not cover the following unless directly resulting from a **covered loss**:

- a. **Contamination**, and any cost due to **contamination** including the inability to use or occupy property or any cost of making property safe or suitable for use or occupancy, except as provided elsewhere in this Policy.
- b. Shrinkage.
- c. Changes in color, flavor, texture or finish.
- d. Remediation, change, correction, repair or assessment of any date or time recognition in any **electronic data processing equipment** or media.
- e. Failure of **electronic data processing equipment** or media to correctly recognize, interpret, calculate, compare, differentiate, sequence, access or process data involving one or more dates or times.

#### D. PROPERTY DAMAGE COVERAGES AND LIMITATIONS

**We** provide the following PROPERTY DAMAGE COVERAGES AND LIMITATIONS for a **covered loss** as specified in the LIMITS OF LIABILITY Table in the Declarations, subject to the terms, conditions and exclusions of this Policy.

##### 1. ACCOUNTS RECEIVABLE

- a. **We** cover the following resulting from a **covered loss** to accounts receivable records located while anywhere within the Policy territory, including while in transit:
  - (1) Any shortage in the collection of accounts receivable.
  - (2) The interest charges on any loan to offset such impaired collection pending repayment of such uncollectible sum. Unearned interest and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted in determining the amount recoverable.
  - (3) The reasonable and necessary cost incurred for material and time required to re-establish or reconstruct accounts receivable records excluding any costs covered by any other insurance.
  - (4) Any other necessary and reasonable costs incurred to reduce the loss, to the extent the losses are reduced.
- b. Accounts receivable records include records stored as **electronic data**. In the event of loss, **you** will:
  - (1) Use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding accounts receivable.
  - (2) Reduce the loss by use of any property or service owned or controlled by **you** or obtainable from other sources.
  - (3) Reconstruct, if possible, accounts receivable records so that no shortage is sustained.
- c. The settlement of loss will be made within ninety (90) days from the date of the **covered loss**. All amounts recovered by **you** on outstanding accounts receivable on the date of loss will belong and be paid to **us** up to the amount of loss paid by **us**. All recoveries exceeding the amount paid will belong to **you**.
- d. **We** do not cover shortage resulting from:
  - (1) Bookkeeping, accounting or billing errors or omissions; or
  - (2) Alteration, falsification, manipulation; or

- (3) Concealment, destruction or disposal, of accounts receivable records committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property; but only to the extent of such wrongful giving, taking, obtaining or withholding.

## 2. BRANDS AND LABELS

In the event of a **covered loss** to **your** branded or labeled merchandise, and **we** elect to take all or any part of that property, **you** may at **our** expense:

- a. Stamp "salvage" on the property or its containers; or
- b. Remove or obliterate the brands or labels,

if doing so will not damage the property.

**You** must re-label such property or its containers to be in compliance with any applicable law.

## 3. COINSURANCE DEFICIENCY AND CURRENCY DEVALUATION

- a. **We** cover the deficiency in the amount of loss payable under **your local policy**, if any, and its renewals, issued by **us**, or by **our** subsidiaries, partners, or associated insurance companies, solely as the result of:

- (1) The application of a coinsurance (or average) clause; or

- (2) Official government devaluation of the currency in which the **local policy** is written,

for physical loss or damage of the type insured under such **local policy** to property of the type insured under this Policy.

- b. **You** agree to adjust the Policy values as a result of such devaluation within thirty (30) days after the date of the currency's devaluation. There is no coverage if **you** deliberately underinsure **your** property(ies).

## 4. CONTROL OF DAMAGED GOODS

**We** grant control to **you** of physically damaged **covered property** consisting of finished goods manufactured by or for **you** as follows:

- a. **You** will have full rights to the possession and control of damaged property in the event of physical damage to **your covered property** provided proper testing is done to show which property is physically damaged.
- b. Using reasonable judgment, **you** will decide if the physically damaged **covered property** can be reprocessed or sold.
- c. Property **you** determine to be unfit for reprocessing or selling will not be sold or disposed of except by **you**, or with **your** consent.

Any salvage proceeds received will reduce the recoverable loss.

## 5. COURSE OF CONSTRUCTION

- a. **We** cover direct physical loss or damage at a covered **location** to buildings or structures that **you** begin to construct during the Policy period.

- b. **We** also cover materials, supplies, machinery, equipment and fixtures:

- (1) At a covered **location** and intended for installation in the new construction;
  - (2) After such property has been delivered to **you** or **your** contractor, and while such property is located offsite at a storage **location**; or
  - (3) After such property has been delivered to **you** or **your** contractor, and while such property is in transit from a storage **location** to another storage **location** or to a covered **location**.
- c. This coverage only applies to the construction of **covered property you** intend to own or occupy once constructed.
  - d. This coverage does not apply to any property owned or rented by any contractor or subcontractor.

## 6. DATA, PROGRAMS OR SOFTWARE

- a. **We** cover direct physical loss or damage to **your electronic data**, computer programs or software, including direct physical loss or damage caused by the malicious introduction of a machine code or instruction, while anywhere within this Policy's territory, including:
  - (1) The cost of the following reasonable and necessary actions taken by **you** provided such actions are taken due to actual insured physical loss or damage to **electronic data**, computer programs or software:
    - (a) Actions to temporarily protect and preserve insured **electronic data**, computer programs or software.
    - (b) Actions taken for the temporary repair of insured physical loss or damage to **electronic data**, computer programs or software.
    - (c) Actions taken to expedite the permanent repair or replacement of such damaged property.
  - (2) **Your** reasonable and necessary cost to temporarily protect or preserve covered **electronic data**, computer programs or software against immediately impending direct physical loss or damage to **electronic data**, computer programs or software. In the event that there is no direct physical loss or damage, the costs covered under this item will be subject to the deductible that would have applied had there been such direct physical loss or damage.
- b. With respect to destruction, distortion or corruption caused by the malicious introduction of machine code or instruction, this PROPERTY DAMAGE COVERAGE AND LIMITATION will apply only when the *qualifying period* specified in the *Qualifying Period* Table in the Declarations is exceeded.
- c. Any amounts recoverable under this PROPERTY DAMAGE COVERAGE AND LIMITATION are excluded from coverage elsewhere in this Policy.
- d. This PROPERTY DAMAGE COVERAGE AND LIMITATION excludes loss or damage to **electronic data**, computer programs or software when they are stock in process, finished stock manufactured by **you**, raw materials, supplies or other merchandise not manufactured by **you**.
- e. With respect to this PROPERTY DAMAGE COVERAGE AND LIMITATION, the following additional exclusions apply:
  - (1) Errors or omissions in processing or copying; and
  - (2) Loss or damage to **electronic data**, computer programs or software from errors or omissions in programming or machine instructions.

## 7. DEBRIS REMOVAL

- a. **We** cover **your** reasonable and necessary costs to remove debris from a covered **location** that remains as a direct result of a **covered loss**.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION covers the costs of removal of contaminated **covered property** or the **contaminant** in or on **covered property** only if the **contamination**, due to the actual presence of **contaminant(s)**, results from a **covered loss**.
- c. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not cover the costs of removal of:
  - (1) Contaminated uninsured property; or
  - (2) The **contaminant** in or on uninsured property,whether or not the **contamination** results from a **covered loss**.

## 8. DECONTAMINATION COSTS

- a. **We** cover **your** decontamination costs directly resulting from a **covered loss** at a covered **location** subject to the following conditions:
  - (1) These decontamination costs must be a direct result of enforcement of the law or ordinance that is in force at the time of the loss regulating decontamination; and
  - (2) The amount **we** cover includes the increased cost to remove **your** contaminated **covered property** to comply with the law or ordinance.
- b. **We** do not cover costs required for removing contaminated uninsured property or the **contaminant** therein or thereon, whether or not the **contamination** resulted from a **covered loss**.

## 9. DEFENSE FOR PERSONAL PROPERTY OF OTHERS

- a. **We** cover the cost to defend that part of any suit against **you** alleging direct physical loss or damage of the type insured by this Policy to personal property of others of the type insured by this Policy, in **your** custody, and while at a covered **location**. **We** may without prejudice undertake any investigation, negotiation or settlement of any such claim or suit as **we** deem appropriate.
- b. **We** do not cover the cost to defend any suit against **you** when **you** are acting as a warehouseman, bailee for hire, or carrier for hire.

## 10. DEFERRED PAYMENTS

- a. **We** cover direct physical loss or damage to **personal property** of the type insured by this Policy sold by **you** under a conditional sale or trust agreement or any installment or deferred payment plan and after such property has been delivered to the buyer. Coverage is limited to the unpaid balance for such property. In the event of loss to property sold under deferred payment plans, **you** will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding amounts due or to regain possession of the property.
- b. **We** do not cover loss:
  - (1) Pertaining to products recalled including **your** costs to recall, test or to advertise such recall.
  - (2) From theft or conversion by the buyer of the property after the buyer has taken possession of such property.



(3) To the extent the buyer continues payments.

(4) Not within this Policy's territory.

## 11. DEMOLITION AND INCREASED COST OF CONSTRUCTION

a. **We** cover **your** reasonable and necessary costs that are described in Item **b.** below, actually incurred to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of **covered property** consisting of buildings, structures, machinery and equipment at a covered **location**, provided:

(1) Such law or ordinance is in force on the date of the **covered loss**;

(2) Its enforcement is a direct result of a **covered loss**; and

(3) The buildings, structures, machinery and equipment were in compliance with such law or ordinance, regardless of any lack of enforcement, prior to the **covered loss**.

b. This PROPERTY DAMAGE COVERAGE AND LIMITATION, as respects the property insured in Item **a.** above, covers:

(1) The cost incurred to demolish, repair or rebuild the physically damaged portion of such property with materials and in a manner to satisfy such law or ordinance; and

(2) The cost incurred:

(a) To demolish the physically undamaged portion of such property insured; and

(b) To rebuild it with materials and in a manner to satisfy such law or ordinance,

when the demolition of the physically undamaged portion of such property is required to satisfy such law or ordinance, as a result of a **covered loss**.

c. This PROPERTY DAMAGE COVERAGE AND LIMITATION excludes any costs incurred as a result of the enforcement of any law or ordinance regulating pollution.

d. The amount **we** cover for this PROPERTY DAMAGE COVERAGE AND LIMITATION at each covered **location** in any one (1) **occurrence** will not exceed the actual cost incurred in demolishing the physically damaged and undamaged portions of the property covered in item **a.** above plus:

(1) If rebuilt on the same site, the actual cost incurred in rebuilding there; or

(2) If rebuilt on another site, the lesser of:

(a) The actual cost incurred in rebuilding on the other site, excluding the cost of land; or

(b) The cost that would have been incurred to rebuild on the same site.

## 12. DIFFERENCE IN CONDITIONS/DIFFERENCE IN LIMITS

### a. DIFFERENCE IN CONDITIONS

If there is physical loss or damage in a **foreign location** where there is a **local policy** that applies at that **foreign location**, and due to the difference in the **local policy** terms, including a coinsurance or average clause, the **local policy** does not provide coverage for the loss or damage, **we** cover **your** loss or damage where coverage is provided under the terms and conditions of this Policy and when the **covered loss** or definitions or conditions set forth under this Policy and its endorsements are broader in meaning or scope than those of the **local policy**.

**b. DIFFERENCE IN LIMITS**

If there is physical loss or damage in a **foreign location** where there is a **local policy** that applies to such loss or damage in that **foreign location**, and such **local policy** covers, in whole or part, the same loss or damage as this Policy, **we** cover the difference between the applicable **local policy** limits of liability and the applicable LIMIT(S) OF LIABILITY in this Policy, provided that:

- (1) Coverage is provided under the terms and conditions of this Policy; and
- (2) The limits of liability under all **local policies** have been exhausted and the deductible(s) under all **local policies** have been applied.

**c. We** will not be liable for non-recovery under a **local policy** due to insolvency or any financial failure with respect to such **local policy**.

**d. You** agree that:

- (1) No coverage is provided if **you** are unable to recover in full any loss under any other insurance, if the inability to recover results from **your** failure to comply with any condition of such other insurance.
- (2) All **local policies** that are in force at the inception of this Policy will be maintained in full force and effect during the term of this Policy. Renewals or replacement of such **local policies** will not be more limited or restrictive than the expiring coverage.

**e.** Any coverage provided by the **local policy** that is not provided in this Policy does not extend to this Policy.

**f.** The following additional exclusions apply:

- (1) **We** do not cover any loss or damage at any **location** where this Policy acts as the **local policy**.
- (2) **We** do not cover loss or damage that is covered under any government or national program, pool or scheme.

**13. ERRORS AND OMISSIONS**

**a.** If direct physical loss or damage is not covered under this Policy solely because of an error or unintentional omission made by **you**:

- (1) In the description of where **covered property** is physically located; or
- (2) To include any **location**:
  - (a) Owned, rented or leased by **you** on the effective date of this Policy; or
  - (b) Purchased, rented or leased by **you** during the term of the Policy; or
- (3) That results in termination of the coverage provided by this Policy, except for cancellation due to nonpayment of premium,

**we** cover the amount **we** would have paid, including any TIME ELEMENT loss, had the error or omission not been made.

**b.** This coverage does not apply to the failure to report values, or the reporting of inaccurate values of **covered property**.

- c. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not apply if coverage is provided elsewhere in this Policy.
- d. **You** must report such errors or unintentional omissions to **us** in writing as soon as they are discovered.

#### 14. EXPEDITING EXPENSE

- a. **We** cover **your** reasonable and necessary costs:
  - (1) For the temporary repair of **covered property** from a **covered loss**; and
  - (2) To expedite the permanent repair or replacement of such damaged property.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not cover costs recoverable elsewhere in this Policy, including the cost of permanent repair or replacement of damaged property.

#### 15. FINANCIAL INTEREST COVERAGE

- a. **We** cover **your** financial loss resulting from a **covered loss** to property in a **prohibited jurisdiction** as respects **your** insurable interest and only to the extent the loss is not otherwise insured, provided the local law in the **prohibited jurisdiction** prohibits coverage under, or payment for loss under, nonadmitted insurance, Difference In Conditions Insurance or Difference In Limits Insurance. The most **we** cover is the amount that would have been payable under this Policy if local law allowed coverage under or payment for loss under NONADMITTED INSURANCE, DIFFERENCE IN CONDITIONS or DIFFERENCE IN LIMITS.
- b. Any subsidiary located in any **prohibited jurisdiction** where local law prohibits coverage under or payment for loss under NONADMITTED INSURANCE, DIFFERENCE IN CONDITIONS or DIFFERENCE IN LIMITS, is not party to or a beneficiary under this Policy and has no rights under it.
- c. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not extend to coverage provided elsewhere in this Policy.
- d. This PROPERTY DAMAGE COVERAGE AND LIMITATION applies only in the Policy territory.

#### 16. FINE ARTS

- a. **We** cover direct physical loss or damage to **your fine arts** while anywhere within this Policy's territory, including while in transit.
- b. The following additional exclusions apply:
  - We** do not cover:
    - (1) Loss or damage sustained from any repair, restoration, or retouching process;
    - (2) Breakage of art glass windows, statuary, marble, glassware, bric-a-brac, porcelains, and similar fragile articles, unless caused by fire, lightning, aircraft, theft and or attempted theft, windstorm, *EARTH MOVEMENT*, *FLOOD*, explosion, vandalism, collision, derailment or overturn of conveyance.

#### 17. FIRE DEPARTMENT SERVICE CHARGES

**We** cover the reasonable and necessary:

- a. Fire department firefighting charges imposed as a result of responding to a fire in, on or exposing the **covered property**.

- b. Costs incurred by **you** to restore and recharge fire protection systems following a **covered loss**.

## 18. LAND AND WATER CLEANUP, REMOVAL AND DISPOSAL

- a. For uninsured property at a covered **location** consisting of land, water, or any other substance in or on land or water at a covered **location**, **we** cover **your** reasonable and necessary cost for the cleanup, removal and disposal of the actual presence of **contaminant(s)** from that property if the release, discharge or dispersal of such **contaminant(s)** is a result of a **covered loss**.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not apply:
  - (1) At any **location** insured for **personal property** only;
  - (2) At any **location**, or to any property, covered under the NEWLY ACQUIRED **LOCATIONS** or ERRORS AND OMISSIONS coverages provided by this Policy or at a **Miscellaneous Unnamed Location**; or
  - (3) If **you** fail to give **us** written notice within one hundred eighty (180) days after the loss.

## 19. MISCELLANEOUS PERSONAL PROPERTY

- a. **We** cover direct physical loss or damage, that occurs away from a covered **location** but within the Policy's territory, to **personal property** of the type covered under this Policy, which is:
  - (1) Owned by **you**; or
  - (2) Owned by others and in **your** care, custody and control, but only to the extent **you** are obligated to insure it for direct physical loss or damage under the type of coverage provided under this Policy.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION excludes coverage that is provided elsewhere in this Policy.

## 20. NEIGHBOR'S RECOURSE AND TENANT'S LIABILITY

- a. **We** cover:
  - (1) **Your** liability as a tenant under the articles of any civil or commercial code because of damage to **covered property** caused by or resulting from direct physical loss or damage;
  - (2) Loss **you** may incur under the articles of any civil or commercial code caused by or resulting from direct physical loss or damage to neighbor's property and co-tenants spreading from a covered **location**; or
  - (3) **Your** liability as landlord under articles of any civil or commercial code, for direct physical loss or damage to **personal property** of tenants resulting from construction defects or lack of maintenance.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION only applies to liability incurred in those countries in which the Napoleonic or a similar Civil or Commercial Code applies, including Belgium, France, the French Territories, Greece, Italy, Luxembourg, Portugal and Spain.

## 21. NEWLY ACQUIRED LOCATIONS

- a. **We** cover physical loss or damage to property of the type insured from a loss of the type insured at any **location you** purchase, lease or rent after the inception date of this Policy.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION applies:

- (1) From the date of purchase, lease or rental,
- (2) Until the first of the following occurs:
  - (a) The **location** is bound by **us**;
  - (b) Agreement is reached that the **location** will not be insured under this Policy; or
  - (c) The time limit specified in the LIMITS OF LIABILITY Table in the Declarations has been reached. The time limit begins on the date of purchase, lease or rental.

## 22. NONADMITTED TAX LIABILITY

- a. **We** cover the net amount required to offset **your** local taxes on income with due consideration to any tax credit or tax relief that accrues, provided that the loss payment under this Policy cannot be made in the country where the loss happened. **We** cover the loss in the currency of this Policy in a country designated by **you** where such payment is legally permissible. **You** will cooperate with **us** in making every reasonable effort to pay the loss or portion of it in the country in which the loss happened.
- b. The actual payment under this coverage will be adjusted and reduced by all appropriate tax credits or tax relief entitled or received by **you** or the local entity where the loss happened provided that an income tax liability is incurred. Any payment under this coverage will be made only after completion and acceptance by **us** of audited tax returns for the period in question for both the country where a payment under this coverage is made and the country where the loss happened.

## 23. OFF PREMISES INTERRUPTION OF SERVICES – PROPERTY DAMAGE

- a. **We** cover physical loss or damage to **covered property** at a covered **location** when such physical loss or damage results from:
  - (1) The interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration, voice, data, video; or
  - (2) The interruption of outgoing sewerage service,by reason of a loss of the type insured by this Policy at the facilities of the supplier of such service located within this Policy's territory, that immediately prevents in whole or in part the delivery of such usable service.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION will apply only when the interruption exceeds the *qualifying period* specified in the *Qualifying Period* Table in the Declarations.
- c. For purposes of this PROPERTY DAMAGE COVERAGE AND LIMITATION, the *period of service interruption* is the period starting with the time when an interruption of specified services occurs; and ending when the service could be wholly restored.
- d. Additional General Provisions:
  - (1) **You** will immediately notify the suppliers of services of any interruption of any such services.
  - (2) **We** will not be liable if the interruption of such services is caused directly or indirectly by **your** failure to comply with the terms and conditions of any contracts **you** have for the supply of such specified services.
- e. **We** do not cover loss or damage caused by or resulting from the use of services provided by or through a satellite.

- f. Exclusion **C.3.e.** does not apply to this PROPERTY DAMAGE COVERAGE AND LIMITATION.

#### 24. PROFESSIONAL FEES

- a. **We** cover **your** reasonable costs for **your** employees or auditors, architects, accountants and engineers whom **you** hire to prepare and verify the details of a claim from a **covered loss**.
- b. Professional fees covered under this PROPERTY DAMAGE COVERAGE AND LIMITATION, however, do not include:
  - (1) Any fees or expenses of attorneys;
  - (2) Any fees or expenses of public adjusters, loss appraisers or any of their subsidiaries or associated entities;
  - (3) Fees based on a contingency; or
  - (4) Fees of loss consultants who provide consultation on coverage or negotiate claims.
- c. This PROPERTY DAMAGE COVERAGE AND LIMITATION is subject to the deductible that applies to the loss.

#### 25. PROTECTION AND PRESERVATION OF PROPERTY

- a. **We** cover **your** reasonable and necessary costs to temporarily protect or preserve **covered property** provided such actions are necessary due to actual, or to prevent immediately impending threat of, physical loss or damage of the type covered by this Policy to such **covered property**.
- b. This PROPERTY DAMAGE COVERAGE AND LIMITATION is subject to the deductible provisions that would have applied had the physical loss or damage happened.

#### 26. RADIOACTIVE CONTAMINATION

- a. **We** cover radioactive **contamination** to property of the type insured by this Policy from a **covered loss**.

Radioactive **contamination** is:

- (1) Sudden and accidental radioactive **contamination**; or
- (2) Resultant radiation damage to **covered property**,

provided that such radioactive **contamination** arises out of radioactive material at a covered **location** and is used as part of **your** business activities.

- b. **We** do not cover radioactive **contamination** if:

- (1) The covered **location** contains:

- (a) A nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction; or
- (b) Any new or used nuclear fuel intended for or used in such a nuclear reactor.

- (2) The **contamination** arises from radioactive material located away from a covered **location**.

#### 27. TAX LIABILITY

**We** cover **your** increase in tax liability from a **covered loss** at a covered **location** if the tax treatment of:

- a. The profit portion of a loss payment involving finished stock manufactured by **you**; and/or
- b. The profit portion of a TIME ELEMENT loss payment;

is greater than the tax treatment of profits that would have been incurred had no loss happened.

## 28. TEMPORARY REMOVAL OF PROPERTY

a. When **covered property** is removed from a covered **location** for the purpose of being repaired or serviced or in order to avoid threatened physical loss or damage of the type insured by this Policy, **we** cover such property:

- (1) While at the premises to which such **covered property** has been moved; and
- (2) For direct physical loss or damage of the type insured by this Policy at the covered **location** from which such **covered property** was removed.

b. This PROPERTY DAMAGE COVERAGE AND LIMITATION does not apply:

- (1) To **covered property** removed for normal storage, processing or preparation for sale or delivery; or
- (2) If coverage is provided elsewhere in this Policy or by any other insurance policy.

## 29. TRANSIT

a. **We** cover **personal property** not excluded elsewhere in this Policy while it is in transit within the Policy's territory:

- (1) Owned by **you**.
- (2) Shipped to customers under Free on Board (F.O.B) shipments, Free-Along-Side (F.A.S) shipments and Returned shipments. **Your** contingent interest is admitted.
- (3) Of others in **your** actual or constructive custody to the extent of **your** interest or legal liability.
- (4) Of others sold by **you** and **you** agreed prior to the loss to insure the **personal property** during course of delivery including:
  - (a) When shipped by **your** contract service provider or by **your** contract manufacturer to **you** or to **your** customer; or
  - (b) When shipped by **your** customer to **you** or to **your** contract service provider or to **your** contract manufacturer.

b. This PROPERTY DAMAGE COVERAGE AND LIMITATION starts from the time the property leaves the original point of shipment for transit, and continues while in the due course of transit until delivered, subject to the following conditions:

- (1) Coverage on export shipments not insured under ocean cargo policies ends when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies begins after discharge from overseas vessels or aircraft.

(2) If this Policy expires during the due course of transit, coverage is extended until the shipment is delivered to its final destination.

**c. We also cover:**

(1) General average and salvage charges on shipments covered while waterborne; and

(2) Direct physical loss or damage caused by or resulting from:

(a) Unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts.

(b) Improper parties having gained possession of property through fraud or deceit.

**d. Additional General Provisions:**

(1) This PROPERTY DAMAGE COVERAGE AND LIMITATION will not inure directly or indirectly to the benefit of any carrier or bailee.

(2) **You** have permission, without prejudicing this insurance, to accept:

(a) Ordinary bills of lading used by carriers;

(b) Released bills of lading;

(c) Undervalued bills of lading; and

(d) Shipping or messenger receipts.

(3) **You** may waive subrogation against railroads under side track agreements.

(4) Except as otherwise stated, **you** will not enter into any special agreement with carriers releasing them from their common law or statutory liability.

**e. As respects this PROPERTY DAMAGE COVERAGE AND LIMITATION:**

(1) The following additional exclusions apply:

This Policy excludes:

(a) Samples in the custody of salespeople or selling agents.

(b) Property insured under import or export ocean marine insurance.

(c) Waterborne shipments, unless:

(i) By inland water; or

(ii) By roll-on/roll-off ferries; or

(iii) By coastal shipments.

(d) Airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.

(e) Property of others, including **your** legal liability for it, hauled on vehicles owned, leased or operated by **you** when acting as a common or contract carrier.

(f) Any transporting vehicle



- (g) Property shipped between continents except by land or air within the Policy territory.
- f. **We** will value property covered under this PROPERTY DAMAGE COVERAGE AND LIMITATION as follows:
  - (1) Property shipped to or for **your** account will be valued at actual invoice to **you**. Included in the value are accrued costs and charges legally due. Charges may include **your** commission as selling agent.
  - (2) Property sold by **you** and shipped to or for the purchaser's account will be valued at **your** selling invoice amount. Prepaid or advanced freight costs are included.
  - (3) Property not under invoice will be valued:
    - (a) For **your** property, according to the valuation provisions of this Policy applying at the place from which the property is being transported; or
    - (b) For other property, at the **actual cash value** at the destination point on the date of loss, less any charges saved which would have become due and payable upon arrival at destination.

### 30. VALUABLE PAPERS AND RECORDS

- a. **We** cover physical loss or damage to **your valuable papers and records** from a **covered loss** at a covered **location**. **We** cover the value blank, plus the cost of copying from backup or from originals of a previous generation, and **your** reasonable and necessary costs to research, replace or restore the information lost or damaged thereon, except for **electronic data** and software. For **electronic data** and software, **we** cover the value of the blank media, and the cost of reproducing the **electronic data** and software from duplicates or originals of the previous generation of the data.
- b. This coverage does not apply to loss or damage to property that cannot be repaired or restored with like kind or quality.

## SECTION III – TIME ELEMENT

TIME ELEMENT loss as provided in the TIME ELEMENT COVERAGES and TIME ELEMENT COVERAGES AND LIMITATIONS:

- A. Is subject to and part of the applicable LIMIT OF LIABILITY that applies to **your** direct physical loss or damage but in no event for more than any LIMIT OF LIABILITY that is stated as applying to the specific TIME ELEMENT COVERAGE and/or TIME ELEMENT COVERAGES AND LIMITATIONS; and
- B. Will not increase the POLICY LIMIT OF LIABILITY and is subject to the Policy provisions, including applicable exclusions and deductibles,

all as shown in this section and elsewhere in this Policy.

### A. LOSS INSURED

- 1. **We** cover **your** actual loss sustained, as provided in the TIME ELEMENT COVERAGES and TIME ELEMENT COVERAGES AND LIMITATIONS, directly resulting from a loss of the type insured by this Policy:

- a. To property described elsewhere in this Policy and not otherwise excluded by this Policy,
- b. Used by **you**, or by others with whom **you** have a contract,
- c. At a covered **location** or while in transit as provided by this Policy,
- d. During the applicable PERIOD OF LIABILITY described in this section.

- 2. **We** cover TIME ELEMENT loss only to the extent it cannot be reduced through:

- a. The use of any property or service owned or controlled by **you**;
- b. The use of any property or service obtainable from other sources;
- c. Working extra time or overtime; or
- d. The use of inventory,

all whether at a covered **location** or at any other **location**. When measuring the actual loss sustained, the combined operating results of all of **your** associated, affiliated or subsidiary companies will be considered in determining the TIME ELEMENT loss.

- 3. **We** cover **your** reasonable and necessary expenses to reduce the loss otherwise payable under this section of this Policy. The amount of those recoverable expenses will not exceed the amount by which the insured loss has been reduced.
- 4. In determining the insured TIME ELEMENT loss, **we** will consider the experience of the business before and after and the probable experience during the PERIOD OF LIABILITY. **We** will consider any increase or decrease in demand for **your** goods or services during the PERIOD OF LIABILITY, even if such increase or decrease is from the same event that caused the **covered loss**.

### B. TIME ELEMENT COVERAGES

#### 1. YOUR OPTION

**You** have the option to make a claim based on either:

- a. *GROSS EARNINGS* and EXTENDED PERIOD OF LIABILITY; or
- b. *GROSS PROFIT*,

as described in the TIME ELEMENT section of this Policy and subject to the applicable terms and conditions as may be shown elsewhere.

Such option may be exercised at any time prior to the conditions set forth in the COMPANY OPTION clause in the LOSS CONDITIONS section of this Policy.

If such TIME ELEMENT loss involves more than one (1) covered **location**, including interdependency at one or more covered **locations**, that loss will be adjusted by using the single coverage option chosen above.

## 2. *GROSS EARNINGS*

- a. *GROSS EARNINGS* loss is the actual loss sustained by **you** due to the necessary interruption of **your** business during the PERIOD OF LIABILITY of the following:

Gross Earnings less all charges and expenses that do not necessarily continue during the interruption of production or suspension of business operations or services, plus all other earnings derived from the operation of the business.

**Ordinary payroll**, including taxes and charges dependent on the payment of wages, for a period of time not to exceed the number of consecutive days as specified in the LIMITS OF LIABILITY in the Declarations table immediately following the interruption of production or suspension of business operations or services, and only to the extent such payroll continues following the loss and would have been earned had no such interruption happened.

However, if **you** reduce the daily loss payable under **ordinary payroll**, either by:

- (1) providing gainful employment for, or
- (2) paying less than the normal salary rate to,

all or part of its employees, then the number of consecutive days of **ordinary payroll** may be extended. However, this provision will not increase **our** total liability beyond the amount **we** would have been liable for **ordinary payroll** costs without this provision.

**Ordinary payroll** does not cover any portion of salaries or wages included in Gross Earnings.

- b. *GROSS EARNINGS* will be calculated as follows:

- (1) For manufacturing operations: the net sales value of production less the cost of all raw stock, materials and supplies used in such production; or
- (2) For mercantile or non-manufacturing operations: the total net sales less the cost of merchandise sold, materials and supplies consumed in the operations or services rendered by **you**.

Any amount payable at selling price will be considered to have been sold to **your** regular customers and will be credited against net sales.

- c. In determining the amount **we** cover as the actual loss sustained, **we** will consider the continuation of only those charges and expenses that would have been earned had there been no interruption of production or suspension of business operations or services.

- d. If **you** would have operated at a deficit had no interruption of production or suspension of business operations or services occurred, the following applies:
- (1) For Gross Earnings, the extent to which charges and expenses would have been earned will be determined by subtracting the operating deficits from the charges and expenses that necessarily continue.
  - (2) For **ordinary payroll**, the extent payroll would have been earned will be determined by subtracting the excess, if any, of the operating deficit over the fixed charges that need to continue from such payroll.
- e. We cover TIME ELEMENT loss only to the extent that **you** are:
- (1) Wholly or partially prevented from producing goods or continuing business operations or services;
  - (2) Unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;
  - (3) Unable to continue **your** operations or services during the PERIOD OF LIABILITY; and
  - (4) Able to demonstrate a loss of sales for the operations, services or production prevented.

### 3. GROSS PROFIT

- a. *GROSS PROFIT* loss is the actual loss sustained by **you** of the following due to the necessary interruption of business during the PERIOD OF LIABILITY. **We** cover **your**:
- (1) *Reduction in Sales* is the sum produced by applying the *Rate of Gross Profit* to the amount by which the *sales* during the PERIOD OF LIABILITY will fall short of the *Standard Sales*. In determining the *Reduction in Sales*, any amount recovered under PROPERTY DAMAGE coverage at selling price will be credited against lost *sales*.
  - (2) **Ordinary payroll**, including taxes and charges dependent on the payment of wages, during the PERIOD OF LIABILITY only to the extent such payroll would have been earned had such loss not happened.

However, if **you** reduce the daily loss payable under **ordinary payroll**, either by:

- (a) Providing gainful employment for, or
- (b) Paying less than the normal salary rate to,

all or part of **your** employees, the number of consecutive days of **ordinary payroll** may be extended. This provision will not increase **our** total liability beyond the amount **we** would have been liable for **ordinary payroll** costs without this provision. **Ordinary payroll** does not cover any portion of salaries or wages included in *Net Profit* or *Insured Fixed Charges*.

- (3) *Increase in Cost of Doing Business* is the reasonable and necessary additional expenditure for the sole purpose of avoiding or diminishing the *Reduction in Sales* and a loss of **ordinary payroll** which, but for that expenditure, would have taken place during the PERIOD OF LIABILITY; but not exceeding the sum produced by applying the *Rate of Gross Profit* to the amount of the reduction thereby avoided, less any sum saved during the PERIOD OF LIABILITY with respect to *Insured Fixed Charges* as may cease or be reduced because of the interruption of business.

- b. *GROSS PROFIT*:

The amount produced by adding to the *Net Profit* the amount of *Insured Fixed Charges*, or if there is no *Net Profit*, the amount of *Insured Fixed Charges* less that proportion of any loss from business operations as the amount of *Insured Fixed Charges* bears to all fixed charges.

*Net Profit:*

The net operating profit (exclusive of all capital receipts and accruals and all outlay properly chargeable to capital) resulting from **your** business at the covered **locations** after due provision has been made for all fixed charges and other expenses including depreciation but before the deduction of any taxes on profits.

*Insured Fixed Charges:*

All fixed charges unless specifically excluded herein.

*Sales:*

The money paid or payable to **you** for goods sold and delivered and for services rendered in the conduct of the business at a covered **location**.

*Rate of Gross Profit:*

The *Rate of Gross Profit* earned on the *sales* during the twelve (12) full calendar months immediately before the date of the **covered loss**.

*Standard Sales:*

The *sales* during that period in the twelve months immediately before the date of the **covered loss** which corresponds with the PERIOD OF LIABILITY.

- c. In determining the actual loss sustained:
- (1) If any fixed charges of the business are not insured hereunder, then, in computing the amount recoverable hereunder as *Increase in Cost of Doing Business*, that proportion only of the additional expenditure will be recoverable hereunder which the sum of the *Net Profit* and the *Insured Fixed Charges* bears to the sum of the *Net Profit* and all the fixed charges.
  - (2) If during the PERIOD OF LIABILITY goods will be sold or services will be rendered elsewhere than at the covered **locations** for the benefit of the business, either by **you** or by others on **your** behalf, the money paid or payable in respect of such *sales* or services will be included in arriving at the amount of *sales* during the PERIOD OF LIABILITY.
- d. **You** will act with due diligence and dispatch in repairing or replacing physically damaged buildings and equipment to the same or equivalent physical and operating conditions that existed prior to the damage; and take whatever actions are reasonable and necessary to minimize the loss payable hereunder.
- e. *GROSS PROFIT* Exclusions: As respects *GROSS PROFIT*, the TIME ELEMENT EXCLUSION **D.2** of this section does not apply and the following applies instead:
- We** do not cover any increase in loss due to damages for breach of contract or for late or non-completion of orders, or fines or penalties.
- f. Coverage under *GROSS PROFIT* for the *Reduction in Sales* due to contract cancellation will include only those *sales* that would have been earned under the contract during the PERIOD OF LIABILITY.

**4. EXTRA EXPENSE**

- a. **We** cover **your** reasonable and necessary extra costs of the following incurred during the PERIOD OF LIABILITY applicable:
  - (1) To temporarily continue as nearly normal as practicable the conduct of **your** business; and
  - (2) The temporary use of property or facilities of **yours** or others.
- b. **We** will reduce any recoverable loss under this coverage for any value remaining of any property used to temporarily continue **your** business.
- c. EXTRA EXPENSE does not include:
  - (1) Any loss of income.
  - (2) Costs that would have been incurred in conducting the business during the same period had no physical loss or damage happened.
  - (3) Costs of permanent repair or replacement of property that has been damaged or destroyed.
  - (4) Any expense recoverable elsewhere in this Policy.

## 5. LEASEHOLD INTEREST

- a. **We** cover the following:
  - (1) If the lease agreement requires continuation of rent as a result of a **covered loss**, and if the **covered property** is wholly or partially untenable or unusable, the actual rent payable while the **covered property** is untenable or until the lease is terminated, but not exceeding the unexpired term of the lease.
  - (2) If the **covered property** is partially untenable, **we** cover the proportion of the lease payment for that portion of the untenable **covered property**.
- b. If the lease is cancelled by the lessor pursuant to the lease agreement or by the operation of law, **we** cover the additional cost to rent similar space for the unexpired term of the lease for the damaged property. That loss will be computed at present value, compounded annually at the prime rate plus 2%, as published in the Wall Street Journal on the date the lease terminated. The additional cost will consider the excess rent paid for the same or similar replacement property over actual rent of the original lease, plus cash bonuses or advance rent paid (including maintenance or operating charges) for each month during the unexpired term of the lease.
- c. As respects LEASEHOLD INTEREST, the following applies:
  - (1) **We** do not cover loss directly resulting from physical loss or damage to **personal property**.
  - (2) TIME ELEMENT EXCLUSIONS **D.1.**, **D.2.** and **D.3.** do not apply and the following applies instead:

**We** do not cover any increase in loss resulting from the suspension, lapse or cancellation of any license, or from **you** exercising an option to cancel the lease; or from any act or omission by **you** that constitutes a default under the lease.

## 6. RENTAL INSURANCE

- a. **We** cover **your** actual loss sustained of rental income during the PERIOD OF LIABILITY for:
  - (1) The fair rental value of any portion of rental property occupied by **you**;

- (2) The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
- (3) The rental income from the rented portions of such property according to written leases, contracts or agreements in force at the time of loss,

all not to include non-continuing charges and expenses.

- b. RENTAL INSURANCE Exclusions: As respects RENTAL INSURANCE, TIME ELEMENT EXCLUSIONS D.1. does not apply and the following applies instead:

**We** do not cover any loss of rental income during any period in which the covered **location** would not have been tenantable for any reason other than a **covered loss**.

### C. PERIOD OF LIABILITY

1. The PERIOD OF LIABILITY applying to CONTINGENT TIME ELEMENT, *GROSS EARNINGS*, EXTRA EXPENSE and RENTAL INSURANCE is as follows:

- a. For building and equipment, the period:

- (1) Starting from the time of physical loss or damage of the type insured; and
- (2) Ending when with due diligence and dispatch the building and equipment could be:
  - (a) Repaired or replaced; and
  - (b) Made ready for operations,under the same or equivalent physical and operating conditions that existed prior to the damage.
- (3) Not to be limited by the expiration of this Policy.

- b. For building(s) and equipment covered under COURSE OF CONSTRUCTION:

- (1) The equivalent of the above period of time will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no physical damage happened; and
- (2) Due consideration will be given to the actual experience of the business after completion of the construction and startup.

2. The PERIOD OF LIABILITY for *GROSS EARNINGS* and EXTRA EXPENSE also includes the following:

- a. For stock-in-process and mercantile stock, including finished goods not manufactured by **you**, the time required with the exercise of due diligence and dispatch:

- (1) To restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and
- (2) To replace physically damaged mercantile stock.

- b. For raw materials and supplies, the period of time:

- (1) Of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but

(2) Limited to that period for which the damaged raw materials and supplies would have supplied operating needs.

c. Impounded Water:

(1) Used for any manufacturing purpose, including as a raw material or for power;

(2) Stored behind dams or in reservoirs; and

(3) On any covered **location**,

that is released as the result of physical damage of the type insured to such dam, reservoir or connected equipment, **our** liability for the actual interruption of production or suspension of operations or services due to inadequate water supply will not extend beyond the number of consecutive days, not to exceed the LIMIT OF LIABILITY specified in the Declarations after the damaged dam, reservoir or connected equipment has been repaired or replaced.

d. For physically damaged exposed films, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

e. For physically damaged or destroyed property covered under DATA, PROGRAMS OR SOFTWARE, the time to recreate or restore including the time for researching or engineering lost information.

3. The PERIOD OF LIABILITY applying to *GROSS PROFIT* is as follows:

a. The period starting from the time of physical loss or damage of the type insured and ending not later than the period of time specified in the LIMITS OF LIABILITY Table in the Declarations during which period the results of the business shall be directly affected by such damage, not to be limited by the expiration of this Policy.

b. For property under construction, the period starting on the date that production, business operation or service would have commenced if physical damage of the type insured had not happened and ending not later than the period of time specified in the LIMITS OF LIABILITY Table in the Declarations, during which period the results of the business shall be directly affected by such damage, not to be limited by the expiration of this Policy.

The *Rate of Gross Profit* and *Standard Sales* will be based on the experience of the business after construction is completed and the probable experience during the PERIOD OF LIABILITY.

4. The PERIOD OF LIABILITY does not include any additional time due to **your** inability to resume operations for any reason, including:

a. Making changes to equipment;

b. Making changes to the buildings or structures except as provided in the DEMOLITION AND INCREASED COST OF CONSTRUCTION clause in the PROPERTY DAMAGE section; and

c. Re-staffing or retraining employees.

If two or more PERIODS OF LIABILITY apply, such periods will not be cumulative.

**D. TIME ELEMENT EXCLUSIONS**

In addition to the exclusions elsewhere in this Policy, the following exclusions apply to TIME ELEMENT loss:

1. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:



- a. Physical loss or damage not insured by this Policy on or off of the covered **location**.
  - b. Planned or rescheduled shutdown.
  - c. Strikes or other work stoppage.
  - d. Any reason other than physical loss or damage insured under this Policy.
2. Any increase in loss due to:
- a. Suspension, cancellation or lapse of any lease, contract, license or orders.
  - b. Damages for breach of contract or for late or noncompletion of orders.
  - c. Fines or penalties.
  - d. Any other consequential or remote loss.
3. Any loss resulting from physical loss or damage to finished goods manufactured by **you**, or the time required for their reproduction.

#### E. TIME ELEMENT COVERAGES AND LIMITATIONS

TIME ELEMENT COVERAGES are extended to include the following, subject to all Policy terms, conditions and exclusions, and the time, distance and/or dollar amounts specified in the LIMITS OF LIABILITY Table in the Declarations:

##### 1. *ATTRACTION PROPERTY*

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE resulting from loss or damage of the type insured by this Policy to property of the type insured at an *attraction property* within the number of statute miles specified in the LIMITS OF LIABILITY Table in the Declarations and during the period of time that:
  - (1) Starts at the time such physical loss or damage happens;
  - (2) Ends when the *attraction property* is:
    - (a) Repaired or replaced; and
    - (b) Made ready for operations.
- b. As used in this TIME ELEMENT COVERAGE AND LIMITATION, the term *attraction property* is a property that:
  - (1) Is operated by others; and
  - (2) **You** depend on to attract customers to **your** covered **location**.

##### 2. CIVIL OR MILITARY AUTHORITY

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the *period of interruption* if an order of civil or military authority prohibits access to a covered **location** provided such order is caused by physical loss or damage of the type insured by this Policy at a covered **location** or within the number of statute miles specified in the LIMITS OF LIABILITY Table in the Declarations.
- b. This TIME ELEMENT COVERAGE AND LIMITATION does not apply to LEASEHOLD INTEREST.

- c. The *period of interruption* for this TIME ELEMENT COVERAGE AND LIMITATION will be the period of time:
  - (1) Starting at the time of such direct physical loss or damage; and
  - (2) Continuing until the order is lifted, or the time limit specified in the LIMITS OF LIABILITY Table in the Declarations expires, whichever happens first.

This period of time is part of and not in addition to any PERIOD OF LIABILITY applying to any coverage provided in the TIME ELEMENT section.

### 3. COMPUTER SYSTEMS NON PHYSICAL DAMAGE

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY directly resulting from the failure of **your electronic data processing equipment** or media to operate, provided that such failure is the direct result of a malicious act directed at **you**.
- b. This TIME ELEMENT COVERAGE AND LIMITATION will apply only when the *period of interruption* is in excess of the *qualifying period* specified in the *Qualifying Period* Table in the Declarations.
- c. As used above, the *period of interruption*:
  - (1) Is the period starting when **your electronic data processing equipment** or media fails to operate and ending when with due diligence and dispatch, **your electronic data processing equipment** or media could be restored to the same or equivalent operating condition that existed prior to the failure.
  - (2) Does not include the additional time to make changes to **your electronic data processing equipment** or media.

### 4. CONTINGENT TIME ELEMENT

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type insured by this Policy at *Direct Dependent Time Element Location(s)* and *Indirect Dependent Time Element Location(s)* located within the territory of this Policy.
- b. **You** agree to take every reasonable and necessary action to mitigate the loss payable hereunder.

c. As used in this Policy, *Direct Dependent Time Element Location(s)* are:

- (1) Any **location(s)** of a direct: customer, supplier, contract manufacturer or contract service provider to **you**; or
- (2) Any **location(s)** of any company under a royalty, licensing fee or commission agreement with **you**.

*Direct Dependent Time Element Location(s)* does not include **location(s)** that are covered **location(s)** under this Policy or the **location(s)** of any company directly or indirectly supplying to, or receiving from **you**, electricity, fuel, gas, water, steam, refrigeration, sewage, voice, data or video.

d. As used in this Policy, *Indirect Dependent Time Element Location(s)* are:

- (1) Any **location(s)** of any company that is a direct: customer, supplier, contract manufacturer or contract service provider to **your Direct Dependent Time Element Location(s)**.

*Indirect Dependent Time Element Location(s)* does not include **location(s)** that are covered **location(s)** under this Policy or the **location(s)** of any company directly or indirectly supplying to, or receiving from, the *Direct Dependent Time Element Location(s)* or the *Indirect Dependent Time Element Location(s)*, electricity, fuel, gas, water, steam, refrigeration, sewage, voice, data or video.

e. As respects CONTINGENT TIME ELEMENT:

- (1) Exclusion **D.3** in the TIME ELEMENT EXCLUSIONS does not apply.

## 5. CRISIS MANAGEMENT

- a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY if an order of civil or military authority prohibits access to a covered **location**, but only if such order is a direct result of a violent crime, suicide, attempted suicide or armed robbery at such covered **location**.
- b. As respects this TIME ELEMENT COVERAGE AND LIMITATION, coverage applies:

- (1) Only when the PERIOD OF LIABILITY is in excess of the *qualifying period* specified in the *Qualifying Period* Table in the Declarations; and
- (2) For up to the number of consecutive days specified in the LIMITS OF LIABILITY Table in the Declarations, not to exceed the specified LIMIT OF LIABILITY.

The PERIOD OF LIABILITY is the period of time when the time the civil or military authority prohibits access and continuing until the order is lifted, or the time limit specified in the LIMITS OF LIABILITY Table in the Declarations expires, whichever happens first.

## 6. DELAY IN STARTUP

**We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY due to the reasonable and necessary delay in startup of business operations resulting directly from physical loss or damage to **covered property** as provided under COURSE OF CONSTRUCTION.

## 7. EXTENDED PERIOD OF LIABILITY

- a. We cover the *GROSS EARNINGS* loss sustained due to the reduction in sales resulting from:

- (1) The interruption of business;
- (2) Commencing with the date on which our liability for loss resulting from interruption of business would terminate if this TIME ELEMENT COVERAGE AND LIMITATION had not been included in this Policy; and

(3) Continuing for such additional length of time as would be required with the exercise of due diligence and dispatch to restore **your** business to the condition that would have existed had no loss occurred, but no longer than the number of consecutive days specified in the LIMITS OF LIABILITY Table in the Declarations.

b. Coverage under this TIME ELEMENT COVERAGE AND LIMITATION for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the EXTENDED PERIOD OF LIABILITY described in Item 7.a. above.

c. As respects this TIME ELEMENT COVERAGE AND LIMITATION, Item D.2. in the TIME ELEMENT EXCLUSIONS in this section does not apply and the following applies instead:

This Policy does not insure against any increase in loss due to damages for breach of contract or for late or non-completion of orders, or fines or penalties.

## 8. INGRESS / EGRESS

a. **We** cover **your** actual loss sustained and EXTRA EXPENSE due to the necessary interruption of **your** business if ingress to or egress from a covered **location** is prevented, whether or not **your** premises or property is damaged, provided that such prevention is a direct result of physical loss or damage of the type insured to property of the type insured.

b. The *period of interruption* for this TIME ELEMENT COVERAGE AND LIMITATION will be the period of time starting at the time of such direct physical loss or damage, and continuing until ingress or egress is no longer prevented, or for the time limit specified in the LIMITS OF LIABILITY Table in the Declarations, whichever is less.

## 9. OFF PREMISES INTERRUPTION OF SERVICES – TIME ELEMENT

a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the period of service interruption at a covered **location** when the loss is caused by:

(1) The interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration, voice, data, video; or

(2) The interruption of outgoing sewerage service,

from physical loss or damage of the type insured, at the facilities of the supplier of such service located within this Policy's territory that immediately prevents in whole or in part the delivery of such usable services.

b. This TIME ELEMENT COVERAGE AND LIMITATION will apply only when the period of service interruption as described below is in excess of the *qualifying period* specified in the *Qualifying Period* Table in the Declarations.

c. The period of service interruption is:

(1) The period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be wholly restored and the **location** receiving the service could have resumed normal operations following the restoration of service under the same or equivalent physical and operating conditions that existed prior to the interruption of such services;

(2) Is limited to only those hours during which **you** could have used service(s) if it had been available;

(3) Does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).

d. Additional General Provisions:

(1) **You** will immediately notify the suppliers of services of any interruption of any such services.

(2) **We** will not be liable if the interruption of such services is caused directly or indirectly by **your** failure to comply with the terms and conditions of any contracts **you** have for the supply of such specified services.

e. **We** do not cover loss or damage caused by or resulting from the use of services provided by or through a satellite.

10. ON PREMISES INTERRUPTION OF SERVICES – TIME ELEMENT

a. **We** cover **your** actual loss sustained and EXTRA EXPENSE during the PERIOD OF LIABILITY directly resulting from direct physical loss or damage of the type insured to the following property located at or within one-thousand (1,000) feet of a covered **location**:

(1) Electrical equipment and equipment used for the transmission of voice, data or video.

(2) Electrical, fuel, gas, water, steam, refrigeration, sewerage, voice, data or video transmission systems.

11. PROTECTION AND PRESERVATION OF PROPERTY TIME ELEMENT

a. **We** cover **your** actual loss sustained for a period of time not to exceed forty eight (48) hours prior to and forty eight (48) hours after **you** first took reasonable action for the temporary protection and preservation of property insured by this Policy provided such action is necessary to prevent immediately impending physical loss or damage of the type insured to such **covered property**.

b. This TIME ELEMENT COVERAGE AND LIMITATION is subject to the deductible provisions that would have applied had the direct physical loss or damage occurred.

12. RELATED LOCATIONS

If **you** report values at related **locations** used by **you** (e.g. branch stores, retail outlets and other facilities), but such related **locations** are not listed on the latest Schedule of Covered **Locations** submitted to, accepted by and on file with **us**, and if a TIME ELEMENT loss results at such related **locations** due to **covered loss**, **we** cover such resulting TIME ELEMENT loss in accordance with the terms and conditions of this Policy.

13. RESEARCH AND DEVELOPMENT

a. **We** cover **your** actual loss sustained of fixed charges and **ordinary payroll** directly attributable to the interruption of research and development project(s) that would not have produced income during the PERIOD OF LIABILITY resulting from a **covered loss**.

b. **We** cover these fixed charges only to the extent they continue after the **covered loss** and only during the PERIOD OF LIABILITY.

c. To the extent **you** are able to resume operations, **we** cover only that portion of the fixed charges related to that part of the research and development operation that has not yet been restored.

14. SOFT COSTS

a. **We** cover **your** actual loss sustained of *Soft Costs* during the *period of delay* directly resulting from a delay of completion of **covered property** under construction as provided under COURSE OF CONSTRUCTION as provided in the PROPERTY DAMAGE COVERAGES AND LIMITATIONS.

- b. *Soft Costs* are costs over and above those that are normal at a covered **location** undergoing renovation or in the course of construction, limited to the following:
- (1) Construction loan fees – **your** additional cost to rearrange loans necessary for the completion of construction, repairs or reconstruction including: the cost to arrange refinancing, accounting work necessary to restructure financing, legal work necessary to prepare new documents, charges by the lenders for the extension or renewal of loans necessary.
  - (2) Commitment fees, leasing and marketing expenses – the cost of returning any commitment fees received from prospective tenant(s) or purchaser(s), the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s).
  - (3) Additional fees for architects, engineers, consultants, attorneys and accountants needed for the completion of construction repairs or reconstruction.
  - (4) Property taxes, building permits, additional interest on loans, realty taxes and insurance premiums.
- c. *Period of delay* is the period of time between:
- (1) The date on which the construction, alteration, extension or renovation would have been complete in the absence of a **covered loss** to property under construction as provided under COURSE OF CONSTRUCTION as provided in the PROPERTY DAMAGE COVERAGES AND LIMITATIONS; and
  - (2) The date on which construction, alteration, extension or renovation is actually complete.

## SECTION IV – DESCRIBED LOSSES

**We** only cover the following DESCRIBED LOSSES as specified in the LIMITS OF LIABILITY Table in the Declarations, subject to the terms, conditions and exclusions of this Policy.

### A. EARTH MOVEMENT

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS as provided by this Policy, from a **covered loss** resulting from *EARTH MOVEMENT*.
2. **You** may elect when the time specified in the **OCCURRENCE** TIME SPECIFICATIONS begins.
3. *EARTH MOVEMENT* is:

Earthquake, landslide, subsidence or sinking, rising or shifting of the earth, avalanche, whether natural or man-made, or volcanic eruption; regardless of any other cause or event contributing concurrently or in any other sequence of loss.

However, physical loss or damage from fire, explosion, sprinkler leakage or *FLOOD* caused by *EARTH MOVEMENT* will not be considered to be loss by *EARTH MOVEMENT* within the terms and conditions of this Policy.

### B. EARTH MOVEMENT SPRINKLER LEAKAGE

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS as provided by this Policy, resulting from sprinkler leakage caused by *EARTH MOVEMENT*.

### C. EQUIPMENT BREAKDOWN

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS, as provided by this Policy if such loss or damage is caused by an *accident* to *covered equipment*.

The coverage provided in this DESCRIBED LOSS is limited to loss or damage caused by an *accident* to *covered equipment*. **We** will not pay for physical loss or damage from any other cause under this DESCRIBED LOSS.

The following coverages apply solely to Equipment Breakdown:

#### a. Spoilage Damage

**We** cover physical loss or damage caused by change in temperature or humidity or by the interruption of power, heat, air-conditioning, or refrigeration as the result of an *accident* to *covered equipment*.

#### b. Ammonia Contamination

**We** cover physical loss or damage to **covered property** contaminated by ammonia, including any salvage expense as a direct result of an *accident* to *covered equipment*. No coverage for Ammonia **Contamination** is available under DECONTAMINATION COSTS with respects to an *accident* to *covered equipment*.

## 2. Conditions

### a. Suspension

If coverage for Equipment Breakdown is provided by this Policy, and **we** discover a dangerous condition relating to an object, **we** may immediately suspend the insurance provided by this coverage for that *covered equipment* by written notice mailed or delivered to **you** either at **your** address or at the **location** of any object. Suspended insurance may be reinstated by **us**, but only by an endorsement issued as part of this Policy. **You** will be credited for the unearned portion of the premium paid for the suspended insurance, pro rata, for the period of suspension.

## 3. Valuation

If *covered equipment* requires replacement due to an *accident*, **we** cover **your** additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

- a. However, **we** do not cover more than 150% of what the cost would have been to repair or replace *covered equipment* with like kind and quality.
- b. This does not apply to any property subject to valuation based on **actual cash value**, nor does this provision increase any other applicable LIMIT OF LIABILITY.
- c. The PERIOD OF LIABILITY will not be increased by any of the above.

## 4. Definitions

- a. *Accident*: Physical loss or damage to *covered equipment* that necessitates its repair or replacement due to:

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical breakdown including rupture or bursting caused by centrifugal force;
- (3) Artificially generated electrical current, including electrical arcing that damages electrical devices, appliances or wires; or
- (4) Explosion of:
  - (a) Steam boiler
  - (b) Electric steam generator
  - (c) Steam piping
  - (d) Steam turbine
  - (e) Moving or rotating machinery when such explosion is caused by centrifugal force,

unless such loss or damage is otherwise excluded within this Policy.

*Accident* does not include:

- (5) Fire, including water or other means used to extinguish the fire;
- (6) Malfunction, misalignment, miscalibration, tripping off line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning or by the performance of maintenance;



- (7) Combustion explosion;
- (8) Discharge of molten material from equipment including the heat from such discharged materials;
- (9) Lightning;
- (10) Depletion, deterioration, rust, corrosion, erosion, settling, or wear or tear or any other gradually developing condition;
- (11) Defects, erasures, error limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to *covered equipment*;
- (12) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (13) Damage to any structure or foundation supporting the *covered equipment* or any of its parts;
- (14) Any loss or damage caused by or resulting from any type of electrical insulation breakdown test;
- (15) Any loss or damage caused by or resulting from any type of hydrostatic, pneumatic or gas pressure test;
- (16) The functioning of any safety or protective device; or
- (17) The cracking of any part on an internal combustion turbine exposed to the products of combustion.

**b. *Covered equipment:***

- (1) Equipment that generates, transmits, controls or utilizes energy; including electronic communications and data processing equipment; and
- (2) Equipment which, during normal usage, operates under vacuum or pressure, other than weight of contents.

*Covered equipment* does not mean or include:

- (3) **Electronic data;**
- (4) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (5) Insulating or refractory material;
- (6) Nonmetallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or other appropriate and approved code;
- (7) Catalyst;
- (8) Buried vessels or piping; waste, drainage or sewer piping; piping, valves or fittings forming part of a sprinkler or fire suppression system; water piping that is not part of a closed loop used to conduct heat or cooling from a boiler or a refrigeration or air conditioning system;
- (9) Structure, foundation, cabinet or compartment supporting or containing the *covered equipment* or part of the *covered equipment* including penstock, draft tube or well casing;
- (10) Vehicle or any *covered equipment* that is mounted on or used solely with a vehicle;

- (11) Dragline, excavation or construction equipment including any *covered equipment* that is mounted on or used solely with any one or more dragline(s), excavation or construction equipment;
  - (12) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, nonelectrical cable, chain, belt, rope, clutch plate, brake pad, nonmetal part or tool subject to periodic replacement;
  - (13) Cyclotron used for other than medical purposes, satellite or spacecraft including any *covered equipment* mounted on or used solely with any satellite or spacecraft;
  - (14) Equipment manufactured by **you** for sale.
- c. *Production machinery* is any machine or apparatus that processes, forms, cuts, shapes, grinds, or conveys raw materials, materials in process or finished products including any *covered equipment* that is mounted on or used solely with any one or more production machines or apparatus.

#### D. FLOOD

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS as provided by this Policy, from a **covered loss** resulting from *FLOOD*.
2. *FLOOD* is:
  - a. Surface waters; rising waters; storm surge, wave wash; waves; tsunami; tide or tidal water; the release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray therefrom; all whether driven by wind or not;
  - b. Sewer back-up resulting from any of the foregoing; or
  - c. Mudslide or mudflow caused by or resulting from surface water, runoff or accumulation of water on or under the ground;

regardless of any other cause or event, whether natural or man-made, contributing concurrently or in any other sequence of loss.

**Covered loss** from *FLOOD* associated with a storm or weather disturbance whether or not identified by name by any meteorological authority is considered to be *FLOOD* within the terms of this Policy. However, physical loss or damage from fire, explosion or sprinkler leakage caused by *FLOOD* will not be considered to be loss by *FLOOD* within the terms and conditions of this Policy.

#### E. NAMED STORM

1. **We** cover physical loss or damage to **covered property**, including TIME ELEMENT COVERAGES, TIME ELEMENT COVERAGES AND LIMITATIONS and PROPERTY DAMAGE COVERAGES AND LIMITATIONS as provided by this Policy, from a **covered loss** resulting from a *NAMED STORM*. However, physical loss or damage caused by fire, explosion, sprinkler leakage or *FLOOD* will not be considered loss by *NAMED STORM* within the terms and conditions of this Policy.
2. **You** may elect when the time specified in the **OCCURRENCE** TIME SPECIFICATIONS begins.

*NAMED STORM* is any storm or weather disturbance that is named by the U. S. National Oceanic and Atmospheric Administration (NOAA) or the U. S. National Weather Service or the National Hurricane Center or any authorized meteorological authority in the country where the storm or weather disturbance happened.

## SECTION V - GENERAL POLICY CONDITIONS

### A. ASSIGNMENT

**Your** assignment of this Policy will not be valid except with **our** written consent.

### B. CANCELLATION

1. **You** 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 **you** written notice of cancellation at least:
  - a. ten (10) days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
  - b. thirty (30) days or the number of days specified in the CANCELLATION TIME SPECIFICATIONS, whichever is greater, before the effective date of cancellation if **we** cancel for any other reason.
3. **We** will mail or deliver **our** written notice of cancellation to **your** last mailing address known to **us**.
4. **Our** written notice of cancellation will state the effective date of cancellation and the Policy period will end on that date.
5. If this Policy is cancelled, **we** will send **you** any premium refund due. If **we** cancel, the refund will be pro rata. If **you** cancel, the refund may be less than pro rata. The cancellation will be effective even if **we** have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### C. CONCEALMENT, MISREPRESENTATION OR FRAUD

This entire Policy is void, if with the actual intent to deceive

1. **You**;
2. **Your** representatives; or
3. Any insured;

commit fraud or conceal or misrepresent a fact or circumstance concerning:

- a. This Policy;
- b. The **covered property**;
- c. **Your** interest in the **covered property**; or
- d. A claim under this Policy.

#### D. CONFORMITY TO STATUTES

Any provisions required by law to be included in policies issued by **us** shall be deemed to have been included in this Policy.

If the provisions of this Policy conflict with the laws of any jurisdictions in which this Policy applies, and if certain provisions are required by law to be stated in this Policy, this Policy shall be read so as to eliminate such conflict or deemed to include such provisions for covered **locations** within such jurisdictions.

#### E. INSPECTION

1. During the period of this Policy, **we** will be permitted, but not obligated, to inspect the **covered property**. **Our** right to inspect, the performance of or failure to inspect, and any report arising out of an inspection will not constitute an undertaking or imply that the property is safe, healthful, or in compliance with laws, regulations, codes or standards.
2. 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.

**We** will have no liability to **you** or others because of any inspection or failure to inspect, or on account of anyone's use or reliance upon any report or other information generated during the course of, or as a result of any inspection.

#### F. LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS

1. When specified in the Policy or in Certificates of Insurance on file with **us**, **we** cover loss to specified property insured under this Policy to each specified Lender Loss Payee (hereinafter referred to as Lender) as its interest may appear, and to each specified Mortgagee as its interest may appear.
2. The interest of the Lender or Mortgagee (as the case may be) in property insured under this Policy will not be invalidated by:
  - a. Any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.
  - b. Foreclosure, notice of sale, or similar proceedings with respect to the property, but only to the extent of a deficiency as provided by state law.
  - c. Change in the title or ownership of the property.
  - d. Change to a more hazardous occupancy.

The Lender or Mortgagee will notify **us** of any known change in ownership, occupancy, or hazard and, within ten (10) days of **our** written request, may pay the increased premium associated with such known change. If the Lender or Mortgagee fails to pay the increased premium, all coverage under this Policy will cease.

3. If this Policy is cancelled at **your** request or by the request of **your** agent, the coverage for the interest of the Lender or Mortgagee will terminate ten (10) days after **we** send to the Lender or Mortgagee written notice of cancellation, unless:
  - a. Sooner terminated by authorization, consent, approval, acceptance, or ratification of **your** action by the Lender or Mortgagee, or its agent.
  - b. This Policy is replaced by **you**, with a Policy providing coverage for the interest of the Lender or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement Policy, notwithstanding any other provision of this Policy.

4. **We** may cancel this Policy and/or the interest of the Lender or Mortgagee under this Policy, by giving the Lender or Mortgagee written notice thirty (30) days or the number of days specified in the CANCELLATION TIME SPECIFICATIONS, whichever is greater, prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this Policy, **we** may cancel this Policy for such non-payment, but will give the Lender or Mortgagee written notice ten (10) days prior to the effective date of cancellation. If the Lender or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this Policy will cease.
5. If **we** pay the Lender or Mortgagee for any loss, and deny payment to the debtor, mortgagor or owner, **we** will, to the extent of the payment made to the Lender or Mortgagee be subrogated to the rights of the Lender or Mortgagee under all securities held as collateral to the debt or mortgage. No subrogation will impair the right of the Lender or Mortgagee to sue or recover the full amount of its claim. At **our** option, **we** may pay to the Lender or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Lender or Mortgagee to **us**, and the remaining debt or mortgage will be paid to **us**.
6. If **you** fail to render proof of loss, the Lender or Mortgagee, upon notice of **your** failure to do so, will render proof of loss within sixty (60) days of notice and will be subject to the provisions of this Policy relating to APPRAISAL, COMPANY OPTION, and SUIT AGAINST THE COMPANY.
7. In the event of a claim, upon request by **us**, the Lender or Mortgagee will cooperate in any claim investigation.
8. In no event will the amount payable to a Lender or Mortgagee exceed the amount which would otherwise have been payable to **you**.

#### G. LIBERALIZATION

If during the period that insurance is in force under this Policy, any filed rules or regulations affecting the same are revised by statute in any State or jurisdiction within the United States of America so as to broaden the insurance without additional premium charge, such extended or broadened insurance will inure to **your** benefit within such jurisdiction, effective the date of the change specified in such statute.

#### H. NO REDUCTION BY LOSS

Except for those coverages written with an **annual aggregate** LIMIT OF LIABILITY, **we** cover a **covered loss** without reducing any other applicable LIMIT OF LIABILITY. The reinstatement of any exhausted **annual aggregate** is not permitted unless authorized by **us** in writing.

#### I. NONADMITTED INSURANCE

1. **We** provide primary insurance coverage only for those **foreign locations** covered under this Policy that do not have other primary or **local policy** insurance.
2. The insurance provided by this Policy may be considered to be nonadmitted insurance in some of the **foreign locations** in which coverage is provided. In such countries **you** may be required by local jurisdiction(s) to purchase compulsory insurance from locally admitted insurance carriers and **we** and **our** subsidiaries, partners or associated insurance companies will not be responsible for any fines, penalties, taxes or other costs imposed by any jurisdiction on any party for **your** failure to do so.
3. Where this Policy is nonadmitted insurance, **we** and **our** subsidiaries, partners or associated insurance companies are not responsible for providing any locally required bonds, Certificates of Insurance, Loss Payable Endorsements, Mortgagee Endorsements or any other documents as evidence of insurance.
4. This Policy does not substitute for any local compulsory insurance which may be required by any jurisdiction and the placement of such compulsory insurance is the responsibility of **you** or **your** agent. If **you** or **your** agent have not arranged or do not arrange the placement of compulsory admitted insurance

in those jurisdictions which require it, the insurance afforded under this Policy will respond to physical loss or damage as if such compulsory insurance had been placed.

#### J. NONRENEWAL

1. If **we** decide not to renew this Policy, **we** will mail or deliver a written notice of nonrenewal to **you** at least sixty (60) days before the expiration date of this Policy. Notice will be sent to **your** last mailing address known to **us**. **We** will state the reason for nonrenewal.
2. Proof of mailing will be sufficient evidence of notice.

#### K. OTHER INSURANCE

1. **We** will not be liable if, at the time of loss or damage, there is any other insurance that would apply in the absence of this Policy; except that this Policy will apply only as excess or DIFFERENCE IN CONDITIONS / DIFFERENCE IN LIMITS and in no event as contributing insurance, and then only after all other insurance has been exhausted, notwithstanding paragraph **5.** below.
2. **We** will not be liable if, at the time of loss or damage, there is any insurance with the National Flood Insurance Program (NFIP), except that this Policy shall apply only as excess and in no event as contributing insurance, and then only after all NFIP insurance has been exhausted.
3. **We** will not be liable if, at the time of loss or damage, there is any insurance for the construction of new buildings and additions under a specific policy for the construction of such new buildings and additions, except that this Policy shall apply only as excess and in no event as contributing insurance, and then only after all specific insurance has been exhausted.
4. **We** will not be liable if, at the time of loss or damage, there is any insurance for stock under a specific policy for such stock, except that this Policy shall apply only as excess and in no event as contributing insurance, and then only after all specific insurance has been exhausted.
5. If this Policy is deemed by law to contribute to a loss with other insurance, **we** will pay only **our** proportionate share of the loss, up to the applicable LIMIT OF LIABILITY. **Our** share will be the proportion that the applicable LIMIT OF LIABILITY of this Policy bears to the total applicable LIMITS OF LIABILITY available from all insurance.
6. **You** are permitted to have other insurance over any LIMITS OF LIABILITY specified in this Policy.
7. The existence of such insurance will not reduce any LIMIT OF LIABILITY in this Policy.
8. To the extent this Policy replaces another Policy, coverage under this Policy shall not become effective until such other Policy has terminated.
9. **You** are permitted to have other insurance for all, or any part, of any deductible in this Policy. The existence of such other insurance will not prejudice recovery under this Policy. If the limits of liability of such other insurance are greater than this Policy's applicable deductible, this Policy's insurance will apply only as excess and only after such other insurance has been exhausted.

#### L. PAIR, SET OR PARTS

In the event of a **covered loss** to an article that is part of a pair or set, **our** payment for that loss will be:

1. The cost to repair or replace any part to restore the pair or set to its value before the loss; or
2. The difference between the value of the pair or set before and after the loss.

In no event will the loss of part of a pair or set be regarded as a total loss of the pair or set.

## M. POLICY MODIFICATION

This Policy contains all of the agreements between **you** and **us** concerning this insurance. **You** and **we** may request changes to this Policy. Only endorsements issued by **us** and made a part of this Policy can change this Policy.

Notice to any agent or knowledge possessed by any agent or by any other person will not create a waiver or change any part of this Policy or prevent **us** from asserting any rights under the Policy.

## N. PROVISIONS APPLICABLE TO SPECIFIED FOREIGN LOCATIONS

### 1. Australia

**We** do not cover:

- a. Loss or damage caused by any event that is a Declared Terrorist Incident under the **Terrorism Insurance Act 2003** in Australia, regardless of any cause or event contributing concurrently or in any other sequence to the loss.
- b. Any TIME ELEMENT loss at any covered **location** resulting from **a.** above.

### 2. Belgium

**We** do not cover:

- a. Loss or damage caused by any event that is defined as **terrorism** in accordance with the Law of 1 April 2007 in Belgium, regardless of any cause or event contributing concurrently or in any other sequence to the loss.
- b. Coverage provided, in accordance with the terms and conditions of the **Terrorism Reinsurance and Insurance Pool Statute** is excluded from coverage under this Policy.
- c. Any TIME ELEMENT loss at any covered **location** resulting from **a.** or **b.** above.

### 3. France and the French Territories

**We** do not cover:

- a. Loss or damage caused by any event declared as a natural disaster pursuant to French Law No. 82-600 of 13 July 1982 as amended by subsequent legislation; or
- b. Loss or damage directly or indirectly caused by any *act of terrorism* in France and in French Territories regardless of any cause or event contributing concurrently or in any other sequence to the loss.

As used herein only, the term *act of terrorism* means any act defined in Article 421-1 and Article 421-2 of the French Penal Act and any subsequent regulations.

- c. Any TIME ELEMENT loss at any covered **location** resulting from **a.** or **b.** above.

#### 4. Germany

**We** do not cover:

a. Loss or damage caused by **sturmflut** in:

- (1) Schleswig-Holstein;
- (2) Niedersachsen;
- (3) Mecklenburg-Vorpommern;
- (4) Bremen; and
- (5) Hamburg;

all in Germany.

b. Any TIME ELEMENT loss at any covered **location** resulting from a. above.

#### 5. Great Britain

**We** do not cover:

a. In respect of England, Wales and Scotland only, but not the territorial seas adjacent thereto as defined by the Territorial Sea Act of 1987, loss or damage caused by:

- (1) Any *act of terrorism*, regardless of any other cause or event contributing concurrently or in any other sequence to such *act of terrorism*; and
- (2) Any action taken:
  - (a) In controlling, preventing or suppressing any *act of terrorism*; or
  - (b) In any other way related to any *act of terrorism*.

As used herein only, the term *act of terrorism* means any act of persons acting on behalf of, or in connection with, any organization which carries out activities directed towards the overthrowing or influencing, by force or violence, of the government of the United Kingdom or any other government de jure or de facto.

b. Any TIME ELEMENT loss at any covered **location** resulting from a. above.

#### 6. Namibia and South Africa

**We** do not cover:

a. Loss or damage in Namibia or South Africa caused by any event for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any other similar Act operative in Namibia or South Africa; regardless of any cause or event contributing concurrently or in any other sequence to the loss; or

b. Any TIME ELEMENT loss at any covered **location** resulting from a. above.

Conditions of payment or delays in payment under such Act does not nullify this exclusion.



## 7. Netherlands

**We do not cover:**

- a. Loss or damage caused by any event that is defined as **terrorism** in accordance with Dutch **Terrorism** Risk Reinsurance Company's terms and conditions, regardless of any cause or event contributing concurrently or in any other sequence to the loss.
- b. Any difference in limit between loss recoverable from Dutch **Terrorism** Risk Reinsurance Company (NHT) and this Policy is not recoverable under this Policy.
- c. Loss or damage caused by or resulting from the failure or overflowing of dikes, dams, floodgates or other similar works, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss. However, if there is ensuing physical loss or damage by fire or explosion, the exclusion does not apply to the loss or damage caused by the fire or explosion; or
- d. Any TIME ELEMENT loss at any covered **location** resulting from **a.**, **b.** or **c.** above.

## 8. Northern Ireland

**We do not cover:**

- a. Loss or damage in Northern Ireland caused by any event which falls under the Criminal Damage (Compensation) (Northern Ireland) Order 1977 (No. 1247 (N.I. 14)) regardless of any other cause or event contributing concurrently or in any other sequence; and
- b. Any TIME ELEMENT loss at any covered **location** resulting from **a.** above.

Conditions of payment or delays in payment under such Order does not nullify this exclusion.

## 9. Norway

**We do not cover:**

- a. Loss or damage in Norway caused by any event which falls under the Norwegian Natural Damage Insurance Act (Act. No. 70 of June 16, 1989) as amended by subsequent legislation regardless of any other cause or event contributing concurrently or in any other sequence; or
- b. Any TIME ELEMENT loss at any covered **location** resulting from **a.** above.

Conditions of payment or delays in payment under such Act does not nullify this exclusion.

## 10. Spain

**We do not cover:**

- a. Loss or damage in Spain or in any Spanish Territory which:
  - (1) Falls under the regulation of the Consorcio de Compensacion de Seguros (Consorcio); and
  - (2) Is declared by the Consorcio to be within the conditions of the coverage it provides;
- b. Loss or damage in Spain or any Spanish Territory directly or indirectly caused by or through or in consequence of any events leading to the declaration of a state of emergency, otherwise known as Calamidad Nacional, by the Spanish Government; or

- c. Any TIME ELEMENT loss at any covered **location** resulting from **a.** or **b.** above.

Conditions of payment or delays in payment by the Consorcio or by the Spanish Government, in the case of Calamidad Nacional, does not nullify this exclusion.

#### O. TITLES

The titles of the paragraphs of this Policy and of any endorsements attached to it are only for reference. They do not affect the terms to which they relate.

#### P. TRANSFER OF RIGHTS AND DUTIES

**Your** rights and duties under this Policy may not be transferred without us giving written consent.

#### Q. VACANCY

1. If any of **your real property** is vacant at the inception of this Policy, or becomes vacant, and remains vacant for more than sixty (60) consecutive days, during the Policy period, **you** must:
  - a. Notify **us** in writing of the vacancy prior to loss or damage; and
  - b. Maintain in complete working order the protective safeguards present prior to the vacancy. Protective safeguards include:
    - (1) Automatic sprinkler systems;
    - (2) Fire alarm systems;
    - (3) Guard or watchman services;
    - (4) Burglary systems; and
    - (5) Monitoring systems.
2. If the above requirements are not met, then in addition to the other terms, conditions, limitations and exclusions in this Policy, **we** will:
  - a. Not pay for any loss or damage caused by or resulting from any of the following:
    - (1) Breakage of building glass;
    - (2) Mold, mildew or fungus;
    - (3) Sprinkler leakage, unless the system has been protected against freezing;
    - (4) Theft or attempted theft;
    - (5) Vandalism;
    - (6) Malicious mischief; or
    - (7) Water damage.
  - b. Not pay under DEMOLITION AND INCREASED COST OF CONSTRUCTION;
  - c. Value the loss or damage for the vacant **real property** (including any loss or damage to **personal property**) at the time of loss at the lesser of:
    - (1) The **actual cash value**;
    - (2) The actual cost to repair; or
    - (3) The selling price, less all saved expenses, if it was being offered or listed for sale at the time of loss.
3. **Real property** is considered vacant when it does not contain sufficient property and personnel to conduct **your** customary business operations.
4. **Real property** is not considered vacant during its ongoing construction or renovation.

## R. VALUATION

1. Adjustment of the physical loss or damage amount under this Policy will be computed as of the date of loss or damage at the place of the loss or damage. Unless stated otherwise in a PROPERTY DAMAGE COVERAGE AND LIMITATION, adjustment of physical loss or damage to **covered property** will be subject to the following:
  - a. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.
  - b. On finished goods manufactured by **you**, the regular cash selling price, less all discounts and charges to which the finished goods would have been subject had no physical loss or damage happened.
  - c. On raw materials, supplies or merchandise not manufactured by **you**:
    - (1) If repaired or replaced, **your** actual expenditure in repairing or replacing the damaged or destroyed property; or
    - (2) If not repaired or replaced, the **actual cash value**.
  - d. On exposed films, records, manuscripts and drawings that are not **valuable papers and records**, the value blank plus the cost of copying information from back-up or from originals of a previous generation. These costs will not include research, engineering or any costs of restoring or recreating lost information.
  - e. On property that is:
    - (1) Damaged by fire that directly results from **terrorism** or nuclear reaction; and
    - (2) Is located in a jurisdiction that has a statute that expressly prohibits the exclusion of fire losses resulting from **terrorism** or nuclear reaction,the **actual cash value** of the fire damage. Any remaining fire damage not attributable to **terrorism** or nuclear reaction shall be adjusted according to the terms and conditions of the Valuation clause(s) in this section of the Policy.
  - f. On computer equipment of others which **you** are required to insure for direct physical loss or damage while being installed, maintained or repaired, the cost to replace with new if so specified in the contract between **you** and **your** customer.
  - g. On Data, Programs and Software, the actual cost incurred to repair, replace or restore data, programs or software including the costs to recreate and research.
  - h. On **Fine Arts**, the loss amount will not exceed the lesser of the following:
    - (1) The cost to repair or restore such property to the physical condition that existed on the date of loss;
    - (2) The cost to replace; or
    - (3) The stated value on file with **us**.
  - i. On all other property, the lesser of the following:
    - (1) The cost to repair.

- (2) The cost to rebuild or replace on the same site with new materials of like size, kind and quality.
  - (3) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss.
  - (4) The selling price of **real property** or machinery and equipment, other than stock, offered for sale on the date of loss.
  - (5) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
  - (6) The increased cost of demolition, if any, directly resulting from insured loss, if such property is scheduled for demolition.
  - (7) The unamortized value of improvements and betterments, if such property is not repaired or replaced at **your** expense.
  - (8) The **actual cash value** if such property is:
    - (a) Useless to **you**; or
    - (b) Not repaired, replaced or rebuilt on the same or another site within two (2) years from the date of loss, unless such time is extended by **us**.
2. **You** may elect not to repair or replace the **covered property** lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or replacement cost basis if the proceeds of such loss settlement are expended on other capital expenditures related to **your** operations within two (2) years from the date of loss. As a condition of collecting under this provision, such expenditure must be unplanned as of the date of loss and be made at a covered **location** under this Policy. This provision does not extend to DEMOLITION AND INCREASED COST OF CONSTRUCTION or to property scheduled for demolition at the time of loss.
3. **We** will not pay more than **your** financial interest in the **covered property**.

## SECTION VI – LOSS CONDITIONS

### A. ABANDONMENT OF PROPERTY

**You** may not abandon property to **us**.

### B. APPRAISAL

1. If **you** and **we** fail to agree on the amount of a loss, either party may demand that the disputed amount be submitted for appraisal. A demand for appraisal will be made in writing within sixty (60) days after **our** receipt of proof of loss. Each party will then choose a competent and disinterested appraiser. Each party will notify the other of the identity of its appraiser within thirty (30) days of the written demand for appraisal.
2. The two (2) appraisers will choose a competent and disinterested umpire. If the appraisers are unable to agree on an umpire within fifteen (15) days, **you** or **we** may petition a judge of a court of record in the state where the **covered loss** occurred, to select an umpire.
3. The appraisers will then determine the amount of the loss or damage. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the amount of **our** payment for the loss or damage. If the appraisers fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two (2) of these three (3) will determine the amount of loss or damage.
4. Each appraiser will be paid by the party that selects him or her. Other expenses of the appraisal and compensation of the umpire will be paid equally by **you** and **us**.

### C. COLLECTION FROM OTHERS

**We** will reduce any payment to **you** for a **covered loss** to the extent **you** have collected for that loss from others.

### D. COMPANY OPTION

1. In the event of **covered loss**, **we** may, at **our** option, either:
  - a. Pay the value of **covered property** lost, damaged or destroyed as set forth in VALUATION above;
  - b. Pay the cost of repairing or replacing the **covered property** lost, damaged or destroyed;
  - c. Take all or any part of the **covered property** at any agreed valuation; or
  - d. Repair, rebuild or replace the **covered property** with other property of like kind and quality.
2. **We** will give notice of **our** intentions within thirty (30) days after receiving the sworn statement of loss or as required by law.

### E. DUTIES AFTER A LOSS

In case of loss **you** will:

1. Give **us** immediate written notice of the loss;
2. Give notice of such loss to the proper authorities if the loss may be due to a violation of the law;
3. As soon as possible, give **us** a description of the property involved and how, when and where the loss happened;

4. Take all reasonable steps to protect the **covered property** from further damage;
5. Promptly separate the damaged property from the undamaged property, and keep it in the best possible order for examination;
6. Furnish a complete inventory of the lost, damaged and destroyed property, showing in detail the quantity, and amount of loss claimed under the valuation provision of the Policy;
7. Keep an accurate record of all repair costs;
8. Keep all bills, receipts and related documents that establish the amount of loss;
9. As often as may reasonably be required:
  - a. Permit **us** to inspect the damaged property and take samples for inspection, testing and analysis.
  - b. Produce for inspection and copying, all of **your** books of account, business records, bills and invoices.
  - c. Permit **us** to question, under oath, **you** and any of **your** agents, employees, or representatives involved in the purchase of this insurance or the preparation of **your** claim, including any public adjusters and any of their agents, employees or representatives, and verify **your** answers with a signed acknowledgment.
10. Submit to **us**, within ninety (90) days from the date of loss, unless **we** extend the time in writing, a signed, sworn Proof of Loss that states to the best of **your** knowledge and belief:

The time and cause of the loss;

- a. **Your** interest and the interest of all others in the property involved;
- b. Any other policies of insurance that may provide coverage for the loss;
- c. Any changes in title or occupancy of the property during the Policy period; and
- d. The amount of **your** claimed loss.

**You** shall also submit with the Proof of Loss:

- (1) A complete inventory of the lost, damaged and destroyed property, showing in detail the quantity, and amount of loss claimed as specified in the valuation provision of the Policy;
- (2) An accurate record(s) of all repair costs and all bills, receipts and related documents that establish the amount of the loss;
- (3) Specifications for any damaged building; and
- (4) Detailed estimates and invoices for the repair of any damage.

11. Cooperate with **us** in the investigation and adjustment of the loss.

#### F. LOSS ADJUSTMENT / PAYABLE

Loss will be adjusted with the First Named Insured. **We** may, at **our** option, adjust the loss to property of others directly with the owner of the property. Such loss will be payable to the First Named Insured or as may be directed by the First Named Insured.

Additional insured interests will also be included in loss payment as their interests may appear when named as additional named insured, lender, mortgagee and/or loss payee either on a Certificate of Insurance or other evidence of insurance on file with **us**. When named on a Certificate of Insurance or other evidence of insurance, such additional interests are automatically added to this Policy as their interests may appear as of the effective date shown on the Certificate of Insurance or other evidence of insurance. The Certificate of Insurance or other evidence of insurance will not amend, extend or alter the terms, conditions, provisions and limits of this Policy.

Losses will be adjusted and paid in the currency of the United States of America, unless directed otherwise by **you**. In the event of a loss adjustment involving currency conversion, the exchange selling rate will be calculated as follows:

1. As respects the calculation of deductibles and LIMITS OF LIABILITY, the rate of exchange published in The Wall Street Journal on the date of loss.
2. As respects loss or damage to **covered property**:
  - a. The cost to repair or replace such **covered property** will be converted at the time the cost of repair or replacement is incurred based on the rate of exchange published in The Wall Street Journal.
  - b. If such **covered property** is not replaced or repaired, the conversion will be based on the rate of exchange published in The Wall Street Journal as of the date of loss.
3. As respects TIME ELEMENT loss, the conversion will be based on the average of the rate of exchange published in The Wall Street Journal on the date of loss and the rate of exchange published in The Wall Street Journal on the last day of the PERIOD OF LIABILITY. If The Wall Street Journal was not published on the stipulated date, the rate of exchange will be as published on the next business day.

#### G. PAYMENT OF LOSS

**We** will pay the insured loss within thirty (30) days after **we** receive and accept the signed, sworn Proof of Loss, if:

1. **You** have complied with all the terms of this Policy;
2. **We** have reached agreement with **you** on the amount of the loss, or
3. Within thirty (30) days of when an appraisal award is made as provided for in LOSS CONDITIONS **B. APPRAISAL**.

#### H. SUBROGATION

1. If **we** make payment for a loss, **you** will assign to **us** all **your** rights of recovery against any party for that loss. **We** will not acquire any rights of recovery **you** have waived prior to the loss. **You** agree to cooperate and not to waive, prejudice, settle or compromise any claim against any party after the loss.
2. **You** will be paid any recovery, in the proportion that **your** deductible and any provable uninsured loss bears to the total loss less **your** proportion of fees and expenses.

#### I. SUIT AGAINST THE COMPANY

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the Policy terms and conditions. Any suit against **us** must be brought within two (2) years next after the inception of the loss.

## SECTION VII – DEFINITIONS

1. **Actual cash value:** The amount it would cost to repair or replace **covered property**, on the date of loss, with material of like kind and quality, with proper deduction for physical depreciation and obsolescence, but in no event more than the fair market value.
2. **Annual aggregate:** The maximum amount of loss or damage payable in any one (1) Policy year regardless of the number of **occurrences** within the same Policy year.
3. **Contaminant:** Any foreign substance, impurity, pollutant, hazardous material, poison, toxin, pathogen or pathogenic organism, bacteria, virus, disease causing or illness causing agent, fungus, mold or mildew.
4. **Contamination:** Any condition of property that results from a **contaminant**.
5. **Covered loss:** A loss to **covered property** caused by direct physical loss or damage insured by this Policy.
6. **Covered property:** Property insured by this Policy.
7. **Electronic Data:** Information (including computer programs) stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, drives, **electronic data processing equipment** or any storage medium.
8. **Electronic data processing equipment:** Any computer, computer system or component, hardware, network, microprocessor, microchip, integrated circuit or similar devices or components in computer or non-computer equipment, operating systems, data, programs or other software stored on electronic, electro-mechanical, electro-magnetic data processing or production equipment, whether **your** property or not.
9. **Fine Arts:** Property of rarity, historical value, antiquity or artistic merit, including paintings; etchings; pictures (including their negatives); tapestries; statuary; marbles; bronzes; antique jewelry; antique furniture; antique silver; rare books; porcelains; rare or art glassware; art glass windows; valuable rugs; bric-a-brac and porcelains
10. **Foreign location(s):** Any **location** outside of the continental United States of America, Hawaii and Puerto Rico.
11. **Land improvements:** Landscape gardening, car parks, parking lots, pavement, roadways, sidewalks, walkways, railways or transformer enclosures; but does not include fill beneath such property, including buildings, structures or additions.
12. **Local policy(ies):** A policy of insurance issued locally in a country outside of the United States, its territories and possessions.
13. **Location(s):**
  - a. As specified in Appendix A – Schedule of Covered **Location(s)**;
  - b. Listed on a SCHEDULE on file with **us**; or
  - c. If not so specified in Appendix A – Schedule of Covered **Location(s)** or listed on a SCHEDULE on file with **us**, a building, yard, dock, wharf, pier or bulkhead (or any group of the foregoing) bounded on all sides by public streets, clear land space or open waterways, each not less than fifty (50) feet wide. Any bridge or tunnel crossing such street, space or waterway will render such separation inoperative for the purpose of this definition.



**14. Miscellaneous Unnamed Location:** A **location** owned, leased or rented by **you**, but not listed in a Schedule of **locations** on file with **us** or attached to this Policy.

**Miscellaneous Unnamed Location** does not include:

- a. Newly Acquired **Locations**; or
- b. A **location** for which coverage is found elsewhere in this Policy including ERRORS AND OMISSIONS.

**15. Occurrence:** All loss or damage attributable directly or indirectly to one (1) cause or series of similar causes. All such loss or damage will be added together and the total loss or damage will be treated as one (1) **occurrence**.

Unless otherwise amended by an endorsement attached to this Policy:

- a. All loss or damage resulting from a continuous *FLOOD* event, irrespective of the amount of time or area over which such loss or damage occurs, will be considered a single **occurrence**.
- b. All loss or damage from *EARTH MOVEMENT* or *NAMED STORM* within the time specified in the **OCURRENCE TIME SPECIFICATIONS** will be considered a single **occurrence**.

**16. Ordinary payroll:** Payroll expenses for all of **your** employees except officers, executives, department managers, employees under contract, and other important professional employees. Payroll expenses include the payroll, employee benefits (if directly related to payroll), FICA payments, Union dues and Workers' Compensation premiums **you** pay.

**17. Personal Property:** **Your** tangible things, other than **real property** owned by **you** and used in **your** business, including:

- a. Furniture, fixtures, machinery, **electronic data processing equipment** and stock;
- b. Materials, supplies, machinery, equipment and fixtures, including those that are *personal property of others*, which are intended by **you** for use in construction of new additions and buildings at an existing covered **location**, that **you** begin to construct during the Policy period and intend to own or occupy once constructed, while located on the construction site awaiting use in construction.
- c. Property, other than **real property**, **you** lease for use in **your** business that **you** have a responsibility to insure;
- d. **Your** interest in improvements and betterments **you** have made in buildings **you** do not own;
- e. **Your valuable papers and records**.

**18. Prohibited jurisdiction:** Any country or political subdivision, outside the United States of America, its territories and possessions, in which by that country's or political subdivision's insurance laws and regulations, **we** are not allowed to insure risks.

**19. Real Property:** Building(s) and any other structure, including:

- a. New buildings and additions under construction, in which **you** have an insurable interest;
- b. Completed additions, extensions or permanent fixtures;
- c. Machinery and equipment used to service the buildings;
- d. Yard Fixtures.

- 20. Sturmflut:** A general and temporary condition of partial or complete inundation of dry land areas caused by or resulting from the overflow of river, lake, bay, estuary or tidal waters because of the rapid accumulation of runoff or surface waters from any source or from wind driven storm surge, tidal wave, high tide, flood tide, wave wash or tsunami.
- 21. Subsidiary company:** A business entity which is owned and controlled by **you**.
- 22. Terrorism:** Activities against persons, organizations or property of any nature:
- a. That involve the following or preparation for the following:
    - (1) Use or threat of force or violence; or
    - (2) Commission or threat of a dangerous act; or
    - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
  - b. When one or both of the following applies:
    - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
    - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- 23. Valuable papers and records:** Written or printed documents or records including books, maps, negatives, drawings, abstracts, deeds, mortgages and manuscripts.
- 24. We, us and our(s):** The company issuing this Policy, as shown on the Declarations.
- 25. You and your(s):** The First Named Insured shown on the Declarations.

APPENDIX A - SCHEDULE OF COVERED LOCATIONS

Per schedule on file with us

**APPENDIX B - NEW MADRID EARTH MOVEMENT ZONES**

<b>STATE</b>	<b>ZONE</b>	<b>COUNTIES / PARISHES / INDEPENDENT CITIES</b>
ARKANSAS	1	Clay, Craighead, Crittenden, Cross, Green, Independence, Jackson, Lawrence, Lee, Mississippi, Monroe, Phillips, Poinsett, Randolph, St. Francis, White, Woodruff
ARKANSAS	2	Arkansas, Fulton, Izard, Lonoke, Prairie, Sharp,
ILLINOIS	1	Alexander, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jefferson, Johnson, Massac, Perry, Pope, Pulaski, Randolph, Saline, Union, Washington, Williamson
ILLINOIS	2	Bond, Clay, Clinton, Crawford, Edwards, Effingham, Fayette, Jasper, Lawrence, Madison, Marion, Monroe, Richland, Saint Clair, Wabash, Wayne, White
INDIANA	2	Gibson, Knox, Pike, Posey, Spencer, Vanderburgh, Warrick
KENTUCKY	1	Ballard, Calloway, Carlisle, Crittenden, Fulton, Graves, Hickman, Livingston, Lyon, Marshall, McCracken,
KENTUCKY	2	Caldwell, Christian, Daviess, Henderson, Hopkins, McLean, Muhlenberg, Todd, Trigg, Union, Webster
MISSISSIPPI	1	DeSoto, Marshall, Tate, Tunica
MISSISSIPPI	2	Alcorn, Benton, Coahoma, Lafayette, Panola, Quitman, Tippah
MISSOURI	1	Bollinger, Butler, Cape Girardeau, Carter, Dunklin, Madison, Mississippi, New Madrid, Pemiscott, Perry, Ripley, Scott, Stoddard, Wayne
MISSOURI	2	Independent City of St. Louis, Iron, Jefferson, Oregon, Reynolds, Shannon, St. Francois, St. Louis, Ste. Genevieve, Washington
TENNESSEE	1	Benton, Carroll, Chester, Crockett, Dyer, Fayette, Gibson, Hardeman, Haywood, Henderson, Henry, Lake, Lauderdale, Madison, Obion, Shelby, Tipton, Weakley
TENNESSEE	2	Decatur, Hardin, Houston, Humphreys, McNairy, Montgomery, Perry, Stewart,

**APPENDIX C - PACIFIC NORTHWEST EARTH MOVEMENT ZONE**

<b>REGION / STATE</b>	<b>COUNTIES / COORDINATES</b>
CANADA: BRITISH COLUMBIA and VANCOUVER ISLAND	South of 50° N latitude and west of 120° W longitude
OREGON	Benton, Clackamas, Clatsop, Columbia, Coos, Curry, Douglas, Hood River, Jackson, Josephine, Klamath, Lane, Lincoln, Linn, Marion, Multnomah, Polk, Tillamook, Washington, Yamhill
WASHINGTON	Chelan, Clallam, Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Lewis, Mason, Pacific, Pierce, San Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum, Whatcom

**APPENDIX D - EARTH MOVEMENT ZONES WORLDWIDE EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

<b>Country</b>	<b>Zone</b>	<b>Provinces/Territories/States/Counties</b>
ALBANIA	1	Entire Country
ALGERIA	2	Balance of Country
	4	Adrar, Bechar, Tamanghasset, Ouargla, Illizi, Tindouf, Ghardaia
ANDORRA	4	Entire Country
ANGUILLA	2	Entire Country
ANTARCTICA	3	Entire Country
ANTIGUA & BARBUDA	2	Entire Country
ARGENTINA	1	Mendoza, Neuquen, San Juan
	2	Catamarca, Jujuy, Salta, Tucuman
	4	Balance of Country
ARMENIA	1	Entire Country
ARUBA	3	Entire Country
AUSTRALIA including Christmas Island , Cocos (Keeling) Islands	2	Christmas Island , Cocos (Keeling) Islands
	3	Western Australia
	4	Balance of Country
AUSTRIA	4	Entire Country
AZERBAIJAN	1	Entire Country
BAHAMAS	4	Entire Country
BAHRAIN	4	Entire Country
BANGLADESH	1	Entire Country
BARBADOS	2	Entire Country
BELARUS	4	Entire Country
BELGIUM	3	Entire Country
BELIZE	2	Entire Country
BENIN	4	Entire Country
BERMUDA	4	Entire Country
BHUTAN	1	Balance of Country
	2	Gasa

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

BOLIVIA	1	La Paz
	2	Oruro, Potosi, Tarija
	3	Beni, Chuquisaca, Cochabamba, Pando, Santa Cruz
BOSNIA & HERZEGOVINA	2	Entire Country
BOTSWANA	4	Entire Country
BRAZIL	4	Entire Country
BRITISH VIRGIN ISLANDS	1	Entire Country
BRUNEI DARUSSALAM	3	Entire Country
BULGARIA	2	Entire Country
BURKINA FASO	4	Entire Country
BURUNDI	2	Entire Country
CAMBODIA	4	Entire Country
CAMEROON	3	Entire Country
CANADA	Refer to Pacific Northwest <i>EARTH MOVEMENT</i> Zone (Appendix C).	British Columbia and Vancouver Island, South of 50° N latitude and west of 120° W longitude
	4	Balance of Country
CAPE VERDE	4	Entire Country
CAYMAN ISLANDS	1	Entire Country
CENTRAL AFRICAN REPUBLIC	4	Entire Country
CHAD	4	Entire Country
CHILE	1	Entire Country
CHINA	1	Liaoning, Tianjin, Hebei, Shandong, Gansu, Sichuan, Shaanxi, Yunnan
	2	Tibet Autonomous Region, Macau
	3	Balance of Country
	4	Hong Kong
COLOMBIA	1	Antioquia, Cauca, Choco, Narino, Quindio, Risaralda, Valle del Cauca, Bogota
	2	Balance of Country
	3	Amazona, Arauca, Caqueta, Casanare, Guainia, Guaviare, Meta, Putumayo, San Anres and Providencia, Vaupes, Vichada
COMOROS	4	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

CONGO, REPUBLIC OF	2	Entire Country
COOK ISLANDS	2	Entire Country
COSTA RICA	1	Entire Country
CROATIA	2	Entire Country
CURACAO	3	Entire Country
CYPRUS	2	Entire Country
CZECH REPUBLIC	3	Entire Country
DENMARK	4	Entire Country
DJIBOUTI	2	Entire Country
DOMINICA	1	Entire Country
DOMINICAN REPUBLIC	1	Entire Country
ECUADOR	1	Entire Country
EGYPT	2	Cairo, Dakahlia, Damietta, Gharbia, Ismailia, Kafr el-Sheikh, Monufia, North Sinai, Port Said, Red Sea, Sharqia, Suez
	3	Balance of Country
EL SALVADOR	1	Entire Country
EQUATORIAL-GUINEA	4	Entire Country
ERITREA	2	Entire Country
ESTONIA	4	Entire Country
ETHIOPIA	2	Balance of Country
	3	Benishangul, Dure Dawa, Gambela, Harari, Somalia, Tigray
FAROE ISLANDS	4	Entire Country
FEDERATED STATES OF MICRONESIA	2	Entire Country
FIJI	1	Entire Country
FINLAND	4	Entire Country
FRANCE	3	Entire Country
FRENCH GUIANA	4	Entire Country
FRENCH POLYNESIA	4	Entire Country
GABON	2	Ogooue-Ivindo, Ogooue-Lolo
	3	Balance of Country
GAMBIA	4	Entire Country
GERMANY	3	Entire Country
GHANA	1	Accra
	2	Balance of Country
GIBRALTAR	3	Entire Country



APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

GREECE	1	Entire Country
GREENLAND	3	Entire Country
GRENADA	1	Entire Country
GUADELOUPE	1	Entire Country
GUATEMALA	1	Balance of Country
	3	Peten
GUINEA	2	Boke
	3	Balance of Country
GUINEA- BISSAU	3	Entire Country
GUYANA	3	Entire Country
HAITI	1	Entire Country
HONDURAS	1	Balance of Country
	3	Atlantida, Colon, Comayagua, El Paraiso, Francisco Morazan, Gracias a Dios, Islas de la Bahia, Olancho, Yoro
HUNGARY	3	Entire Country
ICELAND	2	Northeast Region, South Region, Southern Peninsula Region, Capital Region
	3	Balance of Country
INDIA	1	Arunachal Pradesh, Assam, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Uttarakhand
	3	Balance of Country
INDONESIA	2	Balance of Country
	3	(Borneo)-East Kalimantan, South Kalimantan, West Kalimantan, Central Kalimantan, Riau, Jambi, South Sulawesi, Southeast Sulawesi, Bangka-Belitung, West Nusa Tenggara
IRAQ	2	Entire Country
IRELAND	4	Entire Country
ISLE OF MAN	3	Entire Country
ISRAEL	1	Entire Country
ITALY	1	Balance of Country
	3	Liguria, Lombardy, Marche, Piedmont, Aosta Valley, Trentino-Alto Adige/Südtirol, Veneto, Sardinia
IVORY COAST (COTE-D'IVOIRE)	4	Entire Country
JAMAICA	1	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

JAPAN	1	Balance of Country
	2	Prefectures of Akita, Fukui, Fukuoka, Gifu, Gunma, Hiroshima, Ishikawa, Kagoshima, Niigata, Okayama, Okinawa, Saga, Shimane, Tochigi, Tottori, Toyama, Yamaguchi
JORDAN	1	Balance of Country
	3	Ma'an
KAZAHKSTAN	1	Entire Country
KENYA	2	Entire Country
KIRIBATI	2	Entire Country
KOSOVO	3	Entire Country
KUWAIT	4	Entire Country
KYRGYZSTAN (KYRGYZ REPUBLIC)	1	Entire Country
LAOS	2	Balance of Country
	3	Attapu, Bolikhamxai, Champasak, Khammouan, Salavan, Savannakhet, Xekong
LATVIA	4	Entire Country
LEBANON	1	Entire Country
LESOTHO	2	Balance of Country
	3	Berea, Butha-Buthe, Leribe, Mokhotlong, Thaba-Tseka
LIBERIA	4	Entire Country
LIBYA	2	Entire Country
LIECHTENSTEIN	4	Entire Country
LITHUANIA	4	Entire Country
LUXEMBOURG	4	Entire Country
MACEDONIA	1	Entire Country
MADAGASCAR	3	Entire Country
MALAWI	2	Entire Country
MALAYSIA	3	Entire Country
MALDIVES	4	Entire Country
MALI	4	Entire Country
MALTA	4	Entire Country
MARSHALL ISLANDS	4	Entire Country
MARTINIQUE	1	Entire Country
MAURITANIA	4	Entire Country
MAURITIUS	4	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

MAYOTTE	2	Entire Country
MEXICO	1	Balance of Country
	4	Chihuahua, Campeche, Coahuila, Durango, Nuevo Leon, Quintana Roo, San Luis Potosi, Sonora, Tamaulipas, Yucatan, Zacatecas
MOLDOVA	2	Entire Country
MONACO	3	Entire Country
MONGOLIA	1	Balance of Country
	2	Govi-Altai, Arkhangai, Bulgan, Selenge, Tov, Ovorkhangai
	3	Khentii, Dundgovi, Dornogovi, Dornod, Sukhbaatar
MONTENEGRO	2	Entire Country
MONTSERRAT	1	Entire Country
MOROCCO	2	Fès-Boulemane (Fès) , Gharb-Chrarda-Béni Hssen (Kénitra), Tangier-Tétouan (Tangier)
	3	Taza-Al Hoceima-Taounate (Al Hoceima)
	4	Balance of Country
MOZAMBIQUE	2	Manica, Sofala, Zambezia
	3	Balance of Country
NAMIBIA	4	Entire Country
NAURU	2	Entire Country
NEPAL	1	Entire Country
NETHERLANDS	4	Balance of Country
	3	Bonaire
	1	Saba, Sint Eustatius
NEW CALEDONIA	3	Entire Country
NEW ZEALAND	1	Balance of Country
	3	Northland, Auckland, Waikato
NICARAGUA	1	Balance of Country
	3	RAAN (Bilwi), RAAS (Bluefields)
NIGER	4	Entire Country
NIGERIA	4	Entire Country
NIUE	2	Entire Country
NORFOLK ISLAND	2	Entire Country
NORWAY	4	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

OMAN	4	Entire Country
PAKISTAN	1	Balance of Country
	3	Punjab
PALAU	2	Entire Country
PALESTINE	1	Entire Country
PANAMA	2	Entire Country
PAPUA NEW GUNIEA	1	Entire Country
PARAGUAY	4	Entire Country
PERU	1	Entire Country
PHILIPPINES	1	Entire Country
PITCAIRN ISLANDS	2	Entire Country
POLAND	4	Entire Country
PORTUGAL	2	Lisbon, Santarém, Faro, Azores Autonomous Region
	4	Balance of Country
QATAR	4	Entire Country
REUNION	4	Entire Country
ROMANIA	2	Entire Country
RUSSIAN FEDERATION	1	Kamchatka, Buryatia, Tuva, Altai Republic, Stavropol, Chechnya, Adygea, Krasnodar, Karachay-Cherkessia, Ingushetia, Dagestan, Kabardino-Balkaria, North Ossetia-Alania
	3	Balance of Country
RWANDA	2	Entire Country
SAMOA (WESTERN )	2	Entire Country
SAN MARINO	2	Entire Country
SAO TOME & PRINCIPE	4	Entire Country
SAUDI ARABIA	2	Jizan, Tabuk
	4	Balance of Country
SENEGAL	3	Entire Country
SERBIA	2	Entire Country
SEYCHELLES	4	Entire Country
SIERRA LEONE	4	Entire Country
SINGAPORE	4	Entire Country
SINT MAARTEN	1	Entire Country
SLOVAKIA	3	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

SLOVENIA	2	Entire Country
SOLOMAN ISLANDS	1	Entire Country
SOMALIA	3	Entire Country
SOUTH AFRICA	2	Free State, Western Cape
	3	Balance of Country
SOUTH KOREA	3	Entire Country
SOUTHERN SUDAN	3	Entire Country
SPAIN	2	Andalusia, Murcia
	3	Balance of Country
SRI LANKA	3	Entire Country
ST. BARTHELEMY	1	Entire Country
ST. KITTS AND NEVIS	1	Entire Country
ST. LUCIA	1	Entire Country
ST. MARTIN	1	Entire Country
ST. VINCENT AND THE GRENADINES	1	Entire Country
SURINAME	4	Entire Country
SWAZILAND	2	Entire Country
SWEDEN	4	Entire Country
SWITZERLAND	4	Entire Country
TAIWAN	1	Entire Country
TAJIKISTAN	1	Entire Country
TANZANIA	2	Kigoma, Arusha, Singida, Dodoma, Manyara, Rukwa, Mbeya, Iringa, Ruvuma, Mtwara
	3	Balance of Country
THAILAND	2	Chiang Rai, Payao, Nan, Chang Mai, Mae Hong Son, Lampang, Lampun, Phrae, Uttaradit, Sukhothai, Tak, Phitsanulok, Kamphaeng Phet, Phichit, Nakhon Sawan, Uthai Thani, Kanchanaburi, Chai Nat, Lop Buri, Sara Buri, Nakon Nayok, Ang Thong, Phra Nakhon Si Ayuthaya, Nakhon Pathom, Sing Buri, Pathum Thani, Bangkok, Samut Songkhram, Samut Sakhon, Nonthaburi, Samut Prakan, Phetchaburi
	3	Balance of Country
TIMOR-LESTE	2	Entire Country
TOGO	3	Entire Country
TONGA	2	Entire Country

APPENDIX D (continued)

**EARTH MOVEMENT ZONES WORLDWIDE  
EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

TRINIDAD AND TOBAGO	1	Entire Country
TUNISIA	2	Ariana, Béja, Ben Arous, Bizerte, Gafsa, Jendouba, Manouba, Monastir, Nabeul, Sousse, Tunis, Zaghuan
	3	Balance of Country
TURKEY	1	Entire Country
TURKMENISTAN	1	Entire Country
TURKS AND CAICOS	1	Entire Country
TUVALU	4	Entire Country
UGANDA	2	Entire Country
UKRAINE	4	Entire Country
UNITED ARAB EMIRATES	4	Entire Country
UNITED KINGDOM including Guernsey, Jersey	3	Entire Country
URUGUAY	4	Entire Country
UZBEKISTAN	1	Entire Country
VANUATU	2	Entire Country
VATICAN CITY	1	Entire Country
VENEZUELA	1	Balance of Country
	2	Carabobo, Aragua, Guarico, Vargas, Miranda, Dpto Capital, Anzoategui, Monagas
	4	Delta Amacuro, Bolivar, Amazonas
VIETNAM	2	Lai Chau, Lao Cai, Yen Bai, Son La, Hoa Binh, Vinh Phu, Hanoi, Hai Phong, Ha Tay, Hai Hung, Thai Binh, Nom Ha, Ninh Binh, Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Quang Ngai, Binh Dinh, Phu Yen, Khanh Hoa, Ninh Thuan
	3	Balance of Country
WESTERN SAHARA	4	Entire Country
YEMEN	4	Entire Country
ZAMBIA	2	Northern, Southern
	3	Balance of Country
ZIMBABWE	3	Entire Country

Any country not listed is Zone 1 unless stated differently in the Declarations.

**APPENDIX E - NAMED STORM TIERS FOR USA INCLUDING ITS COMMONWEALTHS AND TERRITORIES**

**SOUTHERN TIER ONE: NORTH CAROLINA TO TEXAS**

<b>STATE</b>	<b>COUNTIES / PARISHES / INDEPENDENT CITIES</b>
Alabama	Baldwin, Mobile
Florida	Entire State
Georgia	Brantly, Bryan, Camden, Chatham, Charlton, Effingham, Glynn, Liberty, Long, McIntosh, Pierce, Wayne
Louisiana	Acadia, Ascension, Assumption, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington, West Baton Rouge
Mississippi	George, Hancock, Harrison, Jackson, Pearl River, Stone
North Carolina	Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Duplin, Gates, Hertford, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Tyrrell, Washington, Wayne
South Carolina	Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Horry, Jasper, Williamsburg
Texas	Aransas, Bee, Brazoria, Brooks, Calhoun, Cameron, Chambers, Fort Bend, Galveston, Goliad, Hardin, Harris, Hidalgo, Jackson, Jasper, Jefferson, Jim Wells, Kenedy, Kleberg, Liberty, Matagorda, Nueces, Orange, Refugio, San Patricio, Victoria, Wharton, Willacy

APPENDIX E (continued)

**NAMED STORM TIERS FOR USA INCLUDING  
ITS COMMONWEALTHS AND TERRITORIES**

NORTHERN TIER ONE: VIRGINIA TO MAINE

<b>STATE</b>	<b>COUNTIES / PARISHES / INDEPENDENT CITIES</b>
Connecticut	Fairfield, Middlesex, New Haven, New London
Delaware	Sussex
Maine	Cumberland, Hancock, Knox, Lincoln, Penobscot, Sagadahoc, Waldo, Washington, York
Maryland	Calvert, Charles, Dorchester, St. Mary's, Somerset, Wicomico, Worcester
Massachusetts	Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk
New Hampshire	Rockingham
New Jersey	Atlantic, Bergen, Cape May, Cumberland, Essex, Hudson, Middlesex, Monmouth, Ocean, Union
New York	Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk
Rhode Island	Bristol, Newport, Washington
Virginia	Accomack, Gloucester, Isle of Wight, James City, Lancaster, Mathews, Middlesex, Northampton, Northumberland, Surry, York Independent Cities: Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg

SOUTHERN TIER TWO: NORTH CAROLINA TO TEXAS

<b>STATE</b>	<b>COUNTIES / PARISHES / INDEPENDENT CITIES</b>
Alabama	Clarke, Coffee, Conecuh, Covington, Dale, Escambia, Geneva, Houston, Monroe, Washington
Louisiana	Allen, Avoyelles, Beauregard, Evangeline, St. Helena, St. Landry, West Feliciana
Mississippi	Forrest, Greene, Jones, Lamar, Marion, Perry, Pike, Walthall, Wayne
North Carolina	Cumberland, Edgecombe, Greene, Johnston, Robeson, Sampson, Wilson
South Carolina	Bamberg, Calhoun, Clarendon, Dillon, Florence, Hampton, Marion, Orangeburg
Texas	Austin, Brazos, Colorado, De Witt, Duval, Fayette, Gonzales, Grimes, Jim Hogg, Karnes, Lavaca, Live Oak, McMullen, Montgomery, Newton, Polk, San Jacinto, Starr, Tyler, Walker, Waller, Washington



APPENDIX E (continued)

**NAMED STORM TIERS FOR USA INCLUDING  
ITS COMMONWEALTHS AND TERRITORIES**

Other States, Commonwealths and Territories of The United States of America		
	<b>TIER</b>	
AMERICAN SAMOA	2	Entire Territory
GUAM	1	Entire Territory
HAWAII	1	Entire State
NORTHERN MARIANA ISLANDS	1	Entire Commonwealth
PUERTO RICO	1	Entire Commonwealth
U.S. VIRGIN ISLANDS	1	Entire Territory
All other US Territories and Possessions	1	Entire Territory

**APPENDIX F - NAMED STORM ZONES WORLDWIDE EXCEPT USA AND ITS COMMONWEALTHS AND TERRITORIES**

<b>Country</b>	<b>Zone</b>	<b>Provinces/Territories/States/Counties</b>
ALBANIA	4	Entire Country
ALGERIA	3	Entire Country
ANDORRA	3	Entire Country
ANGUILLA	1	Entire Country
ANTARCTICA	4	Entire Country
ANTIGUA & BARBUDA	1	Entire Country
ARMENIA	4	Entire Country
ARGENTINA	4	Entire Country
ARUBA	1	Entire Country
AUSTRALIA including Christmas Island, Cocos (Keeling) Islands	1	Western Australia Postcodes: 6701,6707,6710,6711,6712,6713,6714,6716,6718,6720,6721,6722,6725,6726,6728,6731, 6733,6740,6743,6751,6754,6760,6762,6765,  Northern Territory Postcodes: 0800,0810,0812,0820,0822,0828,0829,0830,0832,0835,0836,0837,0838,0840,0841,0845,0846,0847,0850,0852,0853,0854,0862,0880,0885,0886, Christmas Island, Cocos (Keeling) Islands
	2	Queensland Postcodes: 4580,4581,4620,4621,4630,4650,4655,4659,4660,4662,4670,4671,4673,4674,4676,4677,4678,4680,4694,4695,4697,4699,4700,4701,4702,4703,4704,4705,4706,4707,4710,4711,4712,4714,4715,4716,4717,4718,4720,4721,4723,4737,4738,4739,4740,4741,4742,4743,4744,4745,4746,4750,4751,4753,4754,4756,4757,4798,4799,4800,4801,4802,4803,4804,4805,4806,4807,4808,4809,4810,4811,4812,4813,4814,4815,4816,4817,4818,4819,4820,4830,4849,4850,4852,4854,4855,4856,4857,4858,4859,4860,4861,4865,4868,4869,4870,4871,4872,4873,4874,4875,4876,4877,4878,4879,4880,4881,4882,4883,4884,4885,4886,4887,4888,4890,4891,4895
	3	Balance of Country
AUSTRIA	4	Entire Country
AZERBAIJAN	4	Entire Country
BAHAMAS	1	Entire Country
BAHRAIN	4	Entire Country
BANGLADESH	1	Entire Country
BARBADOS	1	Entire Country
BELARUS	4	Entire Country
BELGIUM	3	Entire Country

APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

BELIZE	1	Entire Country
BENIN	4	Entire Country
BERMUDA	1	Entire Country
BHUTAN	4	Entire Country
BOLIVIA	4	Entire Country
BOSNIA & HERZEGOVINA	4	Entire Country
BOTSWANA	3	Entire Country
BRAZIL	4	Entire Country
BRITISH VIRGIN ISLANDS	1	Entire Country
BRUNEI DARUSSALAM	4	Entire Country
BULGARIA	4	Entire Country
BURKINA FASO	4	Entire Country
BURUNDI	1	Entire Country
CAMBODIA	3	Entire Country
CAMEROON	4	Entire Country
CANADA	4	Entire Country
CAPE VERDE	3	Entire Country
CAYMAN ISLANDS	1	Entire Country
CENTRAL AFRICAN REPUBLIC	4	Entire Country
CHAD	3	Entire Country
CHILE	3	Entire Country
CHINA	1	Hainan, Macau, Guangdong, Fujian, Zhejiang, Shanghai, Jiangsu, Shangdong
	2	Hong Kong
	4	Balance of Country
COLOMBIA	3	Entire Country
COMOROS	3	Entire Country
CONGO, REPUBLIC OF	4	Entire Country
COOK ISLANDS	1	Entire Country
COSTA RICA	1	Entire Country
CROATIA	3	Entire Country
CURACAO	1	Entire Country
CYPRUS	4	Entire Country
CZECH REPUBLIC	4	Entire Country
DENMARK	3	Entire Country

APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

DJIBOUTI	4	Entire Country
DOMINICA	1	Entire Country
DOMINICAN REPUBLIC	1	Entire Country
ECUADOR	4	Entire Country
EGYPT	4	Entire Country
EL SALVADOR	2	Entire Country
EQUATORIAL GUINEA	4	Entire Country
ERITREA	4	Entire Country
ESTONIA	3	Entire Country
ETHIOPIA	4	Entire Country
FAROE ISLANDS	3	Entire Country
FEDERATED STATES OF MICRONESIA	1	Entire Country
FIJI	1	Entire Country
FINLAND	3	Entire Country
FRANCE	4	Entire Country
FRENCH GUIANA	4	Entire Country
FRENCH POLYNESIA	1	Entire Country
GABON	3	Entire Country
GAMBIA	4	Entire Country
GERMANY	3	Entire Country
GHANA	3	Entire Country
GIBRALTAR	3	Entire Country
GREECE	4	Entire Country
GREENLAND	4	Entire Country
GRENADA	1	Entire Country
GUADELOUPE	1	Entire Country
GUATEMALA	1	Izabal
	2	Balance of Country
GUINEA	4	Entire Country
GUINEA- BISSAU	4	Entire Country
GUYANA	3	Entire Country
HAITI	1	Entire Country
HONDURAS	1	Entire Country
HUNGARY	4	Entire Country
ICELAND	4	Entire Country

APPENDIX F (continued)

**NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES**

INDIA	1	Andhra Pradesh, Jharkhand, Mizoram, Orissa, Tamil Nadu, Tripura, West Bengal
	3	Balance of Country
INDONESIA	3	Entire Country
IRAQ	4	Entire Country
IRELAND	3	Entire Country
ISLE OF MAN	3	Entire Country
ISRAEL	4	Entire Country
ITALY	3	Entire Country
IVORY COAST (COTE-D'IVOIRE)	4	Entire Country
JAMAICA	1	Entire Country
JAPAN	3	Regions of Hokkaido, Tohoku
	1	Balance of Country
JORDAN	4	Entire Country
KAZAHKSTAN	4	Entire Country
KENYA	3	Entire Country
KIRIBATI	1	Entire Country
KOSOVO	4	Entire Country
KUWAIT	4	Entire Country
KYRGYZSTAN (KYRGYZ REPUBLIC)	4	Entire Country
LAOS	3	Entire Country
LATVIA	3	Entire Country
LEBANON	4	Entire Country
LESOTHO	4	Entire Country
LIBERIA	4	Entire Country
LIBYA	4	Entire Country
LIECHTENSTEIN	4	Entire Country
LITHUANIA	3	Entire Country
LUXEMBOURG	4	Entire Country
MACEDONIA	4	Entire Country
MADAGASCAR	2	Entire Country
MALAWI	4	Entire Country
MALAYSIA	3	Entire Country
MALDIVES	3	Entire Country
MALI	4	Entire Country
MALTA	4	Entire Country

APPENDIX F (continued)

**NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES**

MARSHALL ISLANDS	2	Entire Country
MARTINIQUE	1	Entire Country
MAURITANIA	4	Entire Country
MAURITIUS	1	Entire Country
MAYOTTE	1	Entire Country
MEXICO	1	Baja California Sur, Colima, Campeche, Chiapas, Guerrero, Jalisco, Michoacan, Oaxaca, Quintana Roo, Tabasco, Tamaulipas, Veracruz, Yucatan
	4	Balance of Country
MOLDOVA	4	Entire Country
MONACO	3	Entire Country
MONGOLIA	4	Entire Country
MONTENEGRO	4	Entire Country
MONTSERRAT	1	Entire Country
MOROCCO	4	Entire Country
MOZAMBIQUE	1	Entire Country
NAMIBIA	4	Entire Country
NAURU	4	Entire Country
NEPAL	4	Entire Country
NETHERLANDS	4	Balance of Country
	1	Bonaire
	1	Saba
	1	Sint Eustatius
NEW CALEDONIA	1	Entire Country
NEW ZEALAND	3	Entire Country
NICARAGUA	1	RAAN (Bilwi), RAAS (Bluefields)
	2	Balance of Country
NIGER	4	Entire Country
NIGERIA	4	Entire Country
NIUE	1	Entire Country
NORFOLK ISLAND	2	Entire Country
NORWAY	3	Entire Country
OMAN	3	Entire Country
PAKISTAN	3	Entire Country
PALAU	1	Entire Country

APPENDIX F (continued)

**NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES**

PALESTINE	4	Entire Country
PANAMA	3	Entire Country
PAPUA NEW GUINEA	3	Entire Country
PARAGUAY	4	Entire Country
PERU	4	Entire Country
PHILIPPINES	1	Entire Country
PITCAIRN ISLANDS	1	Entire Country
POLAND	3	Entire Country
PORTUGAL	3	Azores Autonomous Region
	4	Balance of Country
QATAR	4	Entire Country
REUNION	1	Entire Country
ROMANIA	4	Entire Country
RUSSIAN FEDERATION	4	Entire Country
RWANDA	4	Entire Country
SAMOA (WESTERN )	1	Entire Country
SAN MARINO	4	Entire Country
SAO TOME & PRINCIPE	4	Entire Country
SAUDI ARABIA	4	Entire Country
SENEGAL	4	Entire Country
SERBIA	4	Entire Country
SEYCHELLES	3	Entire Country
SIERRA LEONE	4	Entire Country
SINGAPORE	4	Entire Country
SINT MAARTEN	1	Entire Country
SLOVAKIA	4	Entire Country
SLOVENIA	4	Entire Country
SOLOMAN ISLANDS	2	Entire Country
SOMALIA	4	Entire Country
SOUTH AFRICA	4	Entire Country
SOUTH KOREA	2	Entire Country
SOUTHERN SUDAN	4	Entire Country
SPAIN	4	Entire Country

APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

SRI LANKA	2	Entire Country
ST. BARTHELEMY	1	Entire Country
ST. KITTS AND NEVIS	1	Entire Country
ST. LUCIA	1	Entire Country
ST. MARTIN	1	Entire Country
ST. VINCENT AND THE GRENADINES	1	Entire Country
SURINAME	4	Entire Country
SWAZILAND	4	Entire Country
SWEDEN	3	Entire Country
SWITZERLAND	4	Entire Country
TAIWAN	1	Entire Country
TAJIKISTAN	4	Entire Country
TANZANIA	4	Entire Country
THAILAND	3	Entire Country
TIMOR-LESTE	3	Entire Country
TOGO	4	Entire Country
TONGA	1	Entire Country
TRINIDAD AND TOBAGO	1	Entire Country
TUNISIA	4	Entire Country
TURKEY	4	Entire Country
TURKMENISTAN	4	Entire Country
TURKS AND CAICOS	1	Entire Country
TUVALU	3	Entire Country
UGANDA	4	Entire Country
UKRAINE	4	Entire Country
UNITED ARAB EMIRATES	4	Entire Country
UNITED KINGDOM including Guernsey, Jersey	3	Entire Country
URUGUAY	3	Entire Country
UZBEKISTAN	4	Entire Country
VANUATU	1	Entire Country
VATICAN CITY	4	Entire Country
VENEZUELA	3	Entire Country
VIETNAM	2	Entire Country



APPENDIX F (continued)

*NAMED STORM ZONES WORLDWIDE EXCEPT  
USA AND ITS COMMONWEALTHS AND TERRITORIES*

WESTERN SAHARA	4	Entire Country
YEMEN	3	Entire Country
ZAMBIA	4	Entire Country
ZIMBABWE	4	Entire Country

Any country not listed is Zone 1 unless stated differently in the Declarations.

## APPENDIX G - FLOOD HAZARD LOCATIONS

### High Hazard Location(s)

<b>Loc #</b>	<b>Sub Loc #</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
14	1	1102 North Muldoon Rd	Anchorage	AK	99506
21	1	3907 Shore Pkwy	Brooklyn	NY	11235
28	1	2055 East Shields Ave	Fresno	CA	93726
29	1	1003 North State Rd 7	Royal Palm Beach	FL	33411
30	1	300 Pkwy Dr	Lincolnshire	IL	60069
37	1	461 South Greenwood Park Dr	Greenwood	IN	46142
38	1	1400 S Columbus Ave	Philadelphia	PA	19147
39	1	1401 W Esplanade Ave	Kenner	LA	70065
54	1	24435 Town Center Dr	Santa Clarita	CA	91355
58	1	1500 Caughey Dr	Harrisburg	PA	17110
64	1	8136 Delta Shores Circle S	Sacramento	CA	95832
70	1	6006 Hollywood Dr	Naples	FL	34109
72	1	20505 South Dixie Hwy	Cutler Bay	FL	33189
77	1	8595 SW 124th Ave	Miami	FL	33183
79	1	735 Iwilei Rd	Honolulu	HI	96817
85	1	9525 Phillips Hwy	Jacksonville	FL	32256
122	1	4915 SW Loop 250 N	Midland	TX	79707
125	1	5547 S Williamson Blvd	Port Orange	FL	32128
134	1	403 W Main St	Merced	CA	95340
150	1	4100 38th St	Moline	IL	61265
154	1	333 Canal St	New Orleans	LA	70130
157	1	9645 Westview Dr	Coral Springs	FL	33076
159	1	900 Upper Front St	Binghamton	NY	13905
173	1	26 W Merritt Blvd	Fishkill	NY	12524
174	1	6415 N Andrews Ave	Fort Lauderdale	FL	33309
176	1	1160 W Branch St	Arroyo Grande	CA	93420
176	2	1160 W Branch St	Arroyo Grande	CA	93420
177	1	680 Ventura Blvd	Camarillo	CA	93010
183	1	3200 Ameristar Dr	Kansas City	MO	64161
186	1	733 Route 72 W	Manahawkin	NJ	08050
190	1	1200 Breckenridge Dr	Little Rock	AR	72205
192	1	7132 Regal Dr	Knoxville	TN	37918
210	1	9000 SW 136th St	Miami	FL	33176
214	1	353 N Mead St	Wichita	KS	67202
219	1	901 South Coast Dr	Costa Mesa	CA	92626
221	1	14051 Beach Blvd	Jacksonville	FL	32250
226	1	1120 Interquest Pkwy	Colorado Springs	CO	80921
230	1	501 NE Marion St	Salem	OR	97301
232	1	3702 W University Ave	Gainesville	FL	32607
244	1	6701 Cinema Dr	Port Richey	FL	34668
247	1	3351 W Shaw Ave	Fresno	CA	93711
250	1	3338 North Roosevelt Blvd	Key West	FL	33040
258	1	5555 Youngstown Warren Rd	Niles	OH	44446
259	1	70 E Kahumanu Ave	Kahalui	HI	96732
260	1	1490 11th Ave NW	Issaquah	WA	98027
261	1	963 Houston Northcutt Blvd	Mount Pleasant	SC	29464

262	1	175 Cherry Rd NW	Massillon	OH	44646
289	1	215 Williamson Blvd	Ormond Beach	FL	32174
294	1	100 Regal Way	Newport News	VA	23602
303	1	120 South Bridge St	Visalia	CA	93291
311	1	337 Placerville Dr	Placerville	CA	95667
328	1	222 North El Dorado St	Stockton	CA	95202
335	1	1515 W 23rd St	Panama City	FL	32405
336	1	1075 Pkwy Blvd	Flowood	MS	39232
337	1	4777 West Chester Pike	Newtown Square	PA	19073
356	1	One Walden Galleria	Buffalo	NY	14225
357	1	2804 Plumb 3rd St	Brooklyn	NY	11235
365	1	1471 West Webster Ave	Chicago	IL	60614
367	1	2800 Shed Rd	Bossier City	LA	71111
374	1	7117 Regal Lane	Knoxville	TN	37918
380	1	6601 East Pacific Coast Hwy	Long Beach	CA	90803
382	1	501 Buckingham Way	San Francisco	CA	94132
384	1	1350 Boone St	Leesville	LA	71446
392	1	2830 Hwy 90 W	Lake City	FL	32055
395	1	7200 Us Hwy 19 N	Pinellas Park	FL	33781
398	1	570 Opry Mills Dr	Nashville	TN	37214
403	1	1101 E 18th St	Rolla	MO	65401
409	1	1405 Pacific Ave	Santa Cruz	CA	95060
410	1	8000 West Broward Blvd	Plantation	FL	33324
415	1	10028 Gulf Center Dr	Fort Meyers	FL	33913
417	1	4524 Doris Circle	Knoxville	TN	37918
425	1	401 Park Dr	Boston	MA	22153
441	1	100 Washington St	Oakland	CA	94607
446	1	910 Sawmill Rd	Laurel	MS	39440
451	1	1120 Lincoln Rd	Miami Beach	FL	33139
452	1	300 Monticello Ave	Norfolk	VA	23510
460	1	1319 Theatre Dr	Mount Pleasant	SC	29464
463	1	4455 Dowlen Rd	Beaumont	TX	77706
467	1	7999 Citrus Park Town Center Mall	Tampa	FL	33625
472	1	3561 Truxel Rd	Sacramento	CA	95834
484	1	4600 W Kellogg Dr	Wichita	KS	67209
489	1	2600 NW 136th Ave	Sunrise	FL	33323
504	1	1230 S Hover St	Longmont	CO	80501
513	1	15977 Pines Blvd	Pembroke Pines	FL	33027
515	1	341 Three Rivers Dr	Kelso	WA	98626
518	1	7131 Regal Dr	Knoxville	TN	37918
526	1	1993 Main St	Sarasota	FL	34236
529	1	2800 Oakwood Blvd	Hollywood	FL	33020
536	1	720 Builders Way	Niagara Falls	NY	14304
541	1	13499 Bell Tower Dr	Fort Meyers	FL	33907
542	1	8021 Cinema Way	Estero	FL	33928
550	1	9889 Glades Rd	Boca Raton	FL	33434
551	1	955 Eagle Ridge Dr	Lake Wales	FL	33859
559	1	1801 Northwest Hwy 19	Crystal River	FL	34428
564	1	700 Grand Central Mall	Vienna	WV	26105
568	1	658 Front St	Lahaina	HI	96761
569	1	1144 S Gilbert Rd	Gilbert	AZ	85296
571	1	4450 Kapolei Pkwy	Honolulu	HI	96707
572	1	7112 Regal Dr	Knoxville	TN	37918

**Moderate Hazard Location(s)**

<b>Loc #</b>	<b>Sub Loc #</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
1	1	7301 W Grand Pkwy S	Richmond	TX	77407
5	1	1200 Lakes Dr	West Covina	CA	91790
6	1	4900 East 4th St	Ontario	CA	91764
10	1	321 Merrick Rd	Lynbrook	NY	11563
17	1	3839 Wesleyan St	Houston	TX	77027
18	1	7300 Aliante Pkwy	North Las Vegas	NV	89084
20	1	1180 West San Marcos Blvd	San Marcos	CA	92078
22	1	9150 21st St N	Wichita	KS	67205
23	1	2474 Forest Ave	Staten Island	NY	10303
25	1	102 North End Ave	New York	NY	10282
31	1	350 West Valley Pkwy	Escondido	CA	92025
32	1	1855 Airport Way	Fairbanks	AK	99701
34	1	2100 Louisiana Blvd NE	Albuquerque	NM	87110
35	1	3265 Northeast Expressway Access Rd	Chamblee	GA	30341
37	1	461 South Greenwood Park Dr	Greenwood	IN	46142
40	1	8630 Garfield Ave	South Gate	CA	90280
41	1	7501 Carson Blvd	Long Beach	CA	90808
50	1	176 Greece Ridge Center Dr	Rochester	NY	14626
51	1	1549 Gateway Blvd	Fairfield	CA	94533
53	1	4215 Black Horse Pike	Mays Landing	NJ	08330
74	1	777 West Lake Mead Pkwy	Henderson	NV	89015
75	1	300 Southpark Cir	Colonial Heights	VA	23834
83	1	2322 North Salisbury Blvd	Salisbury	MD	21801
84	1	10091 Jeb Stuart Pkwy	Glen Allen	VA	23059
87	1	3232 N John Young Pkwy	Kissimmee	FL	34741
93	1	8275 W Amarillo Blvd	Amarillo	TX	79124
98	1	8880 S Eastern Ave	Las Vegas	NV	89123
108	1	6707 Transit Rd	Williamsville	NY	14221
117	1	510 North Orlando Ave	Winterpark	FL	32789
119	1	2000 S Colorado Blvd	Denver	CO	80222
129	1	1101 Outlet Collection Way	Auburn	WA	98001
135	1	2707 South 25th E	Ammon	ID	83406
137	1	8755 Center Pkwy Dr	Sacramento	CA	95823
141	1	3131 East Main St	Mohegan Lake	NY	10547
143	1	6009 SW 244th St	Mountlake Terrace	WA	98043
145	1	2801 SW 27th Ave	Ocala	FL	34471
148	1	2951 Jamacha Rd	El Cajon	CA	92019
179	1	2751 Tapo Canyon Rd	Simi Valley	CA	93063
193	1	201 N Northpark Lane	Joplin	MO	64801
205	1	1935 Cinema Dr	Rock Hill	SC	29730
216	1	4101 E 42nd St	Odessa	TX	79762
222	1	1301 W Sunset Rd	Henderson	NV	89014
228	1	951 E Lewis And Clark Pkwy	Clarksville	IN	47129
229	1	3355 S Mooney Blvd	Visalia	CA	93277
237	1	5910 S 180th St	Tukwila	WA	98188
238	1	69348 Hwy 21	Covington	LA	70433
245	1	13782 Jamboree Rd	Irvine	CA	92602
263	1	365 Lancaster Dr SE	Salem	OR	97317
267	1	104 Constitution Dr	Virginia Beach	VA	23462

272	1	121 Tuckahoe Rd	Sewell	NJ	08080
275	1	2200 Lebanon Valley Mall	Lebanon	PA	17042
285	1	3300 Chambers Rd	Horseheads	NY	14845
295	1	2369 W Florida Ave	Hemet	CA	92545
297	1	1367 N Expressway	Griffin	GA	30223
298	1	3720 Main St	Manayunk	PA	19127
309	1	12884 City Center Blvd	Jacksonville	FL	32218
310	1	1739 Arden Way	Sacramento	CA	95815
316	1	2525 San Ramon Valley Blvd	San Ramon	CA	94583
327	1	10075 Town and Country Blvd	Noblesville	IN	46060
329	1	2625 Scottsville Rd	Bowling Green	KY	42103
331	1	151 American Blvd	Turnersville	NJ	08012
332	1	2274 Shattuck Ave	Berkeley	CA	94704
340	1	7420 South Ave	Youngstown	OH	44512
341	1	635 Fairfield Dr	Merced	CA	95348
344	1	9586 Destiny Usa Dr	Syracuse	NY	13204
359	1	107 Mill Rd	Staten Island	NY	10306
360	1	12921 Indian School NE	Albuquerque	NM	87112
368	1	505 S 20th St	Laramie	WY	82070
369	1	1350 SE Waverly Dr	Albany	OR	97322
372	1	101 F St	Davis	CA	95616
386	1	789 E Tahquitz Canyon Way	Palm Springs	CA	92262
388	1	2221 N Jackson	Tullahoma	TN	37388
393	1	1730 NW 9th St	Corvallis	OR	97330
405	1	5243 Buckeystown Pike	Fredrick	MD	21704
407	1	340 SW Morrison	Portland	OR	97204
411	1	5860 Harbour View Blvd	Suffolk	VA	23435
418	1	2 Galleria Mall Dr	Taunton	MA	02780
422	1	3400 Forest Dr	Columbia	SC	29204
424	1	2 River Colony Dr	Bossier City	LA	71111
428	1	6262 West Lane	Stockton	CA	95210
431	1	12285 Limonite Ave	Eastvale	CA	91752
432	1	500 Valley River Ctr	Eugene	OR	97401
433	1	123 Old State Rd at Rte 8	Lanesborough	MA	01237
439	1	1500 Oviedo Mall Blvd	Oviedo	FL	32765
442	1	454 Brookway Blvd	Brookhave	MS	39601
459	1	4155 State Route 31	Clay	NY	13041
462	1	3565 South Platte River Dr	Sheridan	CO	80110
464	1	1000 West Oaks Mall	Houston	TX	77082
475	1	648 Market St	Grand Junction	CO	81505
476	1	631 Richmond Rd	Richmond Heights	OH	44143
478	1	14716 Baltimore Ave	Laurel	MD	20707
479	1	760 W Broad St	Boise	ID	83702
482	1	2401 Mall Dr	North Charleston	SC	29406
483	1	111 East Puainako St	Hilo	HI	96720
487	1	100 Town Center East	Santa Maria	CA	93454
488	1	9741 Chapman Ave	Garden Grove	CA	92841
499	1	1441 Tamiami Trail	Port Charlotte	FL	33948
502	1	1351 W Imperial Hwy	La Habra	CA	90631
509	1	495 Union St	Waterbury	CT	06706
520	1	3290 NW Federal Way	Jensen Beach	FL	34957
527	1	420 G St	Davis	CA	95616
532	1	680 SW Powerhouse Dr	Bend	OR	97702

538	1	401 S Mt Juliet Rd	Moint Juliet	TN	37122
540	1	2222 East 146th St	Carmel	IN	46033
554	1	4801 Cortez Rd W	Bradenton	FL	34210
557	1	1000 W Olympic Blvd	Los Angeles	CA	90015

## FORMS AND ENDORSEMENTS

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

Form or Endorsement Number	Form or Endorsement Name
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## STATE AMENDATORY ENDORSEMENTS

Endorsement Number	Endorsement Name
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**Policy No.:** USP00074619  
**Effective Date:** June 01, 2019

**Endorsement No.**  
1

## STANDARD FIRE POLICY PROVISIONS ENDORSEMENT

This policy is amended by the following conditions but only if such conditions are construed to be more liberal than those already stated in the policy relating to the perils of fire, lightning or removal:

IN CONSIDERATION OF THE PROVISIONS AND STIPULATIONS HEREIN OR ADDED HERETO, AND OF THE PREMIUM SPECIFIED in the Declarations or in endorsements made a part hereof, this Company, for the term of years specified in the Declarations from the inception date shown in the Declarations at 12:01 A.M. (Standard Time) to the expiration date shown in the Declarations at 12:01 A.M. (Standard Time) at location of property involved, to an amount not exceeding the limit of liability specified in the Declarations, does insure the Insured named in the Declarations and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from the interruption of business or manufacture, nor in any event for more than the interest of the Insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND OTHER PERILS INSURED AGAINST IN THIS POLICY INCLUDING REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described in the Declarations while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provision, stipulations and agreements as may be added hereto, as provided in this policy.

- |    |                           |   |
|----|---------------------------|---|
| 1  | <b>Concealment,</b>       | This entire policy shall be void if, whether before or after a loss, the insured has wilfully concealed or misrepresented any material fact or circumstance concerning this insurance of the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.  |
| 2  | <b>fraud.</b>             |   |
| 3  |                           |   |
| 4  |                           |   |
| 5  |                           | This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.   |
| 6  | <b>Uninsurable</b>        |   |
| 7  | <b>and</b>                |   |
| 8  | <b>excepted property.</b> |   |
| 9  |                           | This Company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any perils excluded by this policy; (i) neglect of the insured to use all reasonable |
| 10 | <b>Perils not</b>         |   |
| 11 | <b>included.</b>          |   |
| 12 |                           |   |
| 13 |                           |   |
| 14 |                           |   |
| 15 |                           |   |
| 16 |                           |   |
| 17 |                           |   |
| 18 |                           |   |
| 19 |                           |   |
| 20 |                           |   |
| 21 |                           |   |

Policy No. USP00074619 | Endorsement No. 1  
**STANDARD FIRE POLICY PROVISIONS ENDORSEMENT**

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22 means to save and preserve the property at and after a loss, or  
23 when the property is endangered by fire in neighboring prem-  
24 ises; (j) nor shall this Company be liable for loss by theft.  
25 **Other Insurance.** Other insurance may be prohibited or the  
26 amount of insurance may be limited by en-  
27 dorsement attached hereto.  
28 **Conditions suspending or restricting insurance. Unless other-**  
29 **wise provided in writing added hereto this Company shall not**  
30 **be liable for loss occurring**  
31 (a) while the hazard is increased by any means within the con-  
32 trol or knowledge of the insured; or  
33 (b) while a described building, whether intended for occupancy  
34 by owner or tenant, is vacant or unoccupied beyond a period of  
35 sixty consecutive days; or  
36 (c) as a result of explosion or riot, unless fire ensues, and in  
37 that event for loss by fire only.  
38 **Other perils** Any other peril to be insured against or sub-  
39 **or subjects.** ject of insurance to be covered in this policy  
40 shall be by endorsement in writing hereon or  
41 added hereto.  
42 **Added provisions.** The extent of the application of insurance  
43 under this policy and of the contribution to  
44 be made by this Company in case of loss, and any other pro-  
45 vision or agreement not inconsistent with the provisions of this  
46 policy, may be provided for in writing added hereto, but no pro-  
47 vision may be waived except such as by the terms of this policy  
48 is subject to change.  
49 **Waiver** No permission affecting this insurance shall  
50 **provisions.** exist or waiver of any provision be valid,  
51 unless granted herein or expressed in writing  
52 added hereto. No provision, stipulation or forfeiture shall be  
53 held to be waived by any requirement or proceeding on the part  
54 of this Company relating to appraisal or to any examination  
55 provided for herein.  
56 **Cancellation** This policy shall be cancelled at any time  
57 **of policy.** at the request of the insured, in which case  
58 this Company shall, upon demand and sur-  
59 render of this policy, refund the excess of paid premium above  
60 the customary short rates for the expired time. This pol-  
61 icy may be cancelled at any time by this Company by giving  
62 to the insured a five day's written notice of cancellation with  
63 or without tender of the excess of paid premium above the pro  
64 rata premium for the expired time, which excess, if not ten-  
65 dered, shall be refunded on demand. Notice of cancellation shall  
66 state that said excess premium (if not tendered) will be re-  
67 funded on demand.  
68 **Mortgagee** If loss hereunder is made payable, in whole  
69 **interests and** or in part, to a designated mortgagee not  
70 **obligations.** named herein as the insured, such interest in  
71 this policy may be cancelled by giving to such  
72 mortgagee a ten day's written notice of can-  
73 cellation.  
74 If the insured fails to render proof of loss, such mortgagee, upon

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STANDARD FIRE POLICY PROVISIONS ENDORSEMENT

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75 notice, shall render proof of loss in the form herein specified  
 76 within sixty (60) days thereafter and shall be subject to the pro-  
 77 visions hereof relating to appraisal and time of payment and of  
 78 bringing suit. If this Company shall claim that no liability ex-  
 79 isted as to the Mortgagor or owner, it shall, to the extent of pay-  
 80 ment of loss to the mortgagee, be subrogated to all the mort-  
 81 gagee's rights or recovery, but without impairing mortgagee's  
 82 right to sue; or it may pay off the mortgage debt and require  
 83 an assignment thereof and of the mortgage. Other provisions  
 84 relating to the interests and obligations of such mortgagee may  
 85 be added hereto by agreement in writing.

86 **Pro rata liability.** This Company shall not be liable for a greater  
 87 proportion of any loss than the amount  
 88 hereby insured shall bear to the whole insurance covering the  
 89 property against the peril involved, whether collectible or not.

90 **Requirements in** The insured shall give immediate written  
 91 **case loss occurs.** notice to this Company of any loss, protect  
 92 the property from further damage, forthwith  
 93 separate the damaged and undamaged personal property, put  
 94 it in the best possible order, furnish a complete inventory of  
 95 the destroyed, damaged and undamaged property, showing in  
 96 detail quantities, costs, actual cash value and amount of loss  
 97 claimed; **and within sixty days after the loss, unless such time**  
 98 **is extended in writing by the Company, the insured shall render**  
 99 **to this Company a proof of loss**, signed and sworn to by the  
 100 insured, stating the knowledge and belief of the insured as to  
 101 the following: the time and origin of the loss, the interest of the insured  
 102 and of all others in the property, the actual cash value of  
 103 each item thereof and the amount of loss thereto, all encum-  
 104 brances thereon, all other contracts of insurance, whether valid  
 105 or not, covering any said property, any changes in the title,  
 106 use occupation, location, possession or exposures of said prop-  
 107 erty since the issuing of this policy, by whom and for what  
 108 purpose any building herein described and the several parts  
 109 thereof were occupied at the time of loss and whether or not it  
 110 then stood on leased ground, and shall furnish a copy of all the  
 111 descriptions and schedules in all policies and, if required, verified  
 112 plans and specifications of any building, fixtures or machinery  
 113 destroyed or damaged. The insured, as often as may be reason-  
 114 ably required, shall exhibit to any person designated by this  
 115 Company all that remains of any property herein described, and  
 116 submit to examinations under oath by any person named by this  
 117 Company, and subscribe the same; and, as often may be  
 118 reasonably required, shall produce for examination all books of  
 119 account, bills, invoices and other vouchers. or certified copies  
 120 thereof if originals be lost, at such reasonable time and place as  
 121 may be designated by this Company or its representative, and  
 122 shall permit extracts and copies thereof to be made.

123 **Appraisal.** In case the insured and this Company shall  
 124 fail to agree as to the actual cash value or  
 125 the amount of loss, then, on the written demand of either, each  
 126 shall select a competent and disinterested appraiser and notify  
 127 the other of the appraiser selected within twenty days of such

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**STANDARD FIRE POLICY PROVISIONS ENDORSEMENT**

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128 demand. The appraisers shall first select a competent and dis-  
 129 interested umpire; and failing for fifteen days to agree upon  
 130 such umpire, then, on request of the insured or this Company,  
 131 such umpire shall be selected by a judge of a court of record in  
 132 the state in which the property covered is located. The ap-  
 133 praisers shall then appraise the loss, stating separately actual  
 134 cash value and loss to each item; and, failing to agree, shall  
 135 submit their differences, only, to the umpire. An award in writ-  
 136 ing, so itemized, of any two when filed with this Company shall  
 137 determine the amount of actual cash value and loss. Each  
 138 appraiser shall be paid by the party selecting him and the ex-  
 139 penses of appraisal and umpire shall be paid by the parties  
 140 equally.

141 **Company's options.** It shall be optional with this Company to  
 142 take all, or any part of the property at the  
 143 agreed or appraised value, and also to re-  
 144 pair, rebuild or replace the property destroyed or damaged with  
 145 other of like kind and quality within a reasonable time, on giv-  
 146 ing notice of its intention so to do within thirty days after the  
 147 receipt of the proof of loss herein required.

148 **Abandonment.** There can be no abandonment to this Com-  
 149 pany of any property.

150 **When loss payable.** The amount of loss for which this Company  
 151 may be liable shall be payable sixty days  
 152 after proof of loss, as herein provided, is  
 153 received by this Company and ascertainment of the loss is made  
 154 either by agreement between the insured and this Company ex-  
 155 pressed in writing or by the filing with Company of an  
 156 award as herein provided.

157 **Suit.** No suit or action on this policy for the recov-  
 158 ery of any claim shall be sustainable in any  
 159 court of law or equity unless all the requirements of this policy  
 160 shall have been complied with, and unless commenced within  
 161 twelve months next after inception of the loss.

162 **Subrogation.** This Company may require from the insured  
 163 an assignment of all right of recovery against  
 164 any party for loss to the extent that payment therefor is made  
 165 by this Company.

**STATE EXCEPTIONS - NUMBERED LINE CONDITIONS:**

**NO. CAROLINA, NO. DAKOTA:** The words "twelve months" in line 161 are changed to "three years".  
 This policy shall be effective and shall terminate at noon (Standard Time) on the inception and expiration  
 dates specified in the Declarations.

**IDAHO:** The words "five days" in line 62 are changed to "thirty days"

**VIRGINIA:** The words "twelve months" in line 161 are changed to "two years".

**WISCONSIN:** The words "five days" in line 62 are changed to "ten days".

**MAINE:** The words "five days" in line 62 are changed to "ten days". The words "twelve months" in line 161  
 are changed to "two years."

**Policy No. USP00074619 | Endorsement No. 1**  
**STANDARD FIRE POLICY PROVISIONS ENDORSEMENT**

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**NEW YORK:** The words "twelve months" in line 161 are changed to "twenty-four months". This policy shall be effective and shall terminate at noon (Standard Time) on the inception and expiration dates specified in the Declarations.

**ARIZONA, CONNECTICUT, HAWAII, IOWA, MISSOURI, NEBRASKA, NEW HAMPSHIRE, OKLAHOMA, PENNSYLVANIA:** This policy shall be effective and shall terminate at noon (Standard Time) on the inception and expiration dates specified in the Declarations.

Where the terms "policy", "location" or "company" in this endorsement are defined in the policy to which it is attached, these terms assume those same definitions.

All other terms and conditions remain unchanged.

**Policy Number: USP00074619**  
**Effective Date: June 01, 2019**

**Endorsement Number**  
**2**

## **ASBESTOS AND RELATED MATERIALS EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

Crown Intermediate Holdco, Inc. Property Insurance Policy

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

**Words that appear in quotation marks in this endorsement have special meaning. Refer to Section B - DEFINITION.**

- A. Notwithstanding any other provision, this policy, including its endorsements, does not cover loss, damage, costs or expenses arising out of or in connection with:
1. The removal of "Materials" from any structure, or fixture, or item of personal property, or product, unless the "materials" are damaged by a peril not otherwise excluded under this policy;
  2. Demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating "materials";
  3. Any governmental direction or request declaring that "materials" present in or part of or utilized on any undamaged portion of the Insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

B. DEFINITION

"Materials"

The term "materials" shall mean asbestos, dioxin, or polychlorinated biphenyls.

**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.**

**Policy No.:** USP00074619  
**Effective Date:** June 01, 2019

**Endorsement No.**  
3

## **DEDUCTIBLES ENDORSEMENT**

This policy is amended as follows:

- A. The deductibles specified for property damage and time element apply separately to each such coverage even if both are involved in a single occurrence.
- B. If two or more deductibles provided in this policy apply to a single occurrence, then the total to be deducted will be the largest deductible applicable.

Where the terms "policy" and "occurrence" in this endorsement are defined in the policy to which this endorsement is attached, such terms herein assume those same definitions.

All other terms and conditions remain unchanged.

**Policy Number: USP00074619**  
**Effective Date: June 01, 2019**

**Endorsement Number**  
**4**

## **FUNGI LIMITATION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

Crown Intermediate Holdco, Inc. Property Insurance Policy

**This endorsement contains words and phrases which have specific definitions for this endorsement only. Please refer to item E. below for details of these definitions.**

In consideration of the premium charged, and subject to the terms, exclusions, limits and conditions of the "policy" to which this endorsement is attached and to the provisions contained within this endorsement, the following changes are made to this "policy".

### **A. Exclusion**

The following exclusion is added to this "policy":

This "policy" does not insure against:

1. Any cost or expense incurred to clean up, remove or remediate any Fungi, or
2. Any cost or expense incurred to test for, monitor, or assess the existence, concentration, or effects of Fungi.

### **B. Extension of Coverage**

This "Policy" is hereby extended to insure:

1. Any cost or expense incurred to clean up, remove or remediate any Fungi, or
2. Any cost or expense incurred to test for, monitor, or assess the existence, concentration, or effects of Fungi;

when direct physical loss or damage is caused by one of the following perils:

- Fire
- Lightning
- Explosion
- Wind
- Hail
- Vehicle Impact
- Smoke
- Collapse
- Riot or Civil Commotion
- Vandalism or Malicious Mischief
- Water Damage caused by the discharge or leakage of fire protective equipment or domestic water piping
- Flood if insured by this "policy" and not otherwise excluded at the insured location(s)
- Earth Movement if insured by this "policy" and not otherwise excluded at the insured location(s)



3. Coverage in B.1 and/or B.2 includes the cost of clean up or remediation of the Fungi, the cost to tear out and replace any part of the insured property as needed to gain access to the Fungi, and the cost of testing performed, provided there is reason to believe that Fungi is present.

**C. Limitation of Coverage**

The maximum liability of this “company” for coverage provided under B. is subject to a sublimit of \$1,000,000 per occurrence and in the aggregate in any one policy year. This sublimit does not increase the Policy Limit or any other sublimit. The “company” shall not be liable for more than the sublimit specified for this extension in any one “occurrence” regardless of the number of “locations” or coverages involved in the “occurrence”. This sublimit includes any Time Element coverage as may be provided by this “policy”. The “company” shall not be liable under this extension unless such loss, damage or expense is reported to the “company” within six (6) months of the date on which the covered property damage loss occurred.

**D. Demolition and Increased Cost of Construction**

1. If this “policy” provides any coverage for the enforcement of laws or ordinance regulating the construction, repair, replacement, use or removal, including debris removal, of any property or that requires the demolition of any property, including the cost in removing its debris, then this “policy” shall also include the costs associated with:
  - (1) the enforcement of any ordinance or law which requires the Insured or others to test for, monitor, clean up, remove or contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of Fungi; or
  - (2) the enforcement of any ordinance or law that regulates or requires the demolition, repair, replacement, reconstruction, remodeling or remediation of insured property due to the presence, growth or proliferation, spread or any activity of Fungi.

**E. Definition**

For the purpose of this endorsement, Fungi shall mean any form of fungus including, but not limited to, yeast, mold, mildew, rust, smut, mushroom, spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of Fungi.

**F. Change**

Any definition within the “policy” as respects Pollutant(s), Contaminant(s), Pollution or Contamination or Hazardous Substance(s) or Material is revised to delete the term Fungi.

**Policy No.:** USP00074619  
**Effective Date:** June 01, 2019

**Endorsement No.**  
5

**PARTICIPATION ENDORSEMENT**

**A. Company's Limit of Liability**

Notwithstanding what is stated in the policy to which this endorsement is attached, the Company is not liable for more than its proportionate share, as specified below, of the Program Limit or of the Program Layer Limits that make up the Program Limit for all loss or damage arising out of one occurrence regardless of the number of locations or coverages involved in the occurrence:

<u>Company's Limit Of Liability</u>		<u>Program Limit or Program Layer Limits</u>		<u>Attachment Point</u>
\$50,000,000	(being 20%) part of	\$250,000,000	excess of	Policy Deductible

The Company is not liable for more than the same proportionate share specified above of any Sublimits which are part of the Program Limit or are part of any Program Layer Limits that make up the Program Limit.

In the event an occurrence results in liability being payable under more than one policy issued to the Insured by the Company, or its subsidiaries, affiliates, or cooperation partners, the maximum amount payable in the aggregate under all such policies will be the Company's Limit Of Liability specified herein regardless of the number of locations or coverages involved.

**B. Program Limits Of Liability**

**1. Program Limit**

**\$250,000,000** per occurrence.

**2. Sublimits**

The following provisions apply to any sublimits specified in the policy to which this endorsement is attached:

- a. Sublimits are part of and not in addition to the Program Limit. Sublimits do not increase the Program Limit or any other sublimits.
- b. Sublimits apply in the aggregate per occurrence to all locations and for all coverages involved, including Time Element.
- c. When a sublimit is noted as an Annual Aggregate, such sublimit applies in the aggregate to all losses occurring during the policy period. If the policy period is greater than twelve (12) months, then the sublimit applies in the aggregate to all losses occurring during each twelve (12) month period, beginning on the Effective Date specified above, and each subsequent anniversary date.
- d. If more than one sublimit is involved in an occurrence, the sublimit specified for the peril involved is the maximum sublimit applicable to such occurrence.
- e. If a sublimit is specified for a location or property, such sublimit is the maximum amount payable under this policy for all loss or damage, including Time Element loss, at all locations resulting from physical loss or damage not otherwise excluded by this policy at such location or to such property.
- f. No sublimit applies if the corresponding sublimit is specified as **Included**. No coverage is provided by this policy if the corresponding sublimit is specified as **Not Insured**.

**Policy No. USP00074619 Endorsement No. 5**  
**PARTICIPATION ENDORSEMENT**

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**C. Definitions**

1. The term “Company”, wherever it appears in the policy, means the **Allianz Global Risks US Insurance Company** with mailing address at 225 West Washington Street, Suite 1800, Chicago, IL 60606-3484.
2. Where the terms “policy”, “occurrence”, “location”, “locations” and “Time Element“ in this endorsement are defined in the policy to which this endorsement is attached, such terms herein assume those same definitions.

All other terms and conditions remain unchanged.

**Policy Number: USP00074619**  
**Effective Date: June 01, 2019**

**Endorsement Number**  
**6**

## **POLLUTION AND CONTAMINATION EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

Crown Intermediate Holdco, Inc. Property Insurance Policy

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

**Words that appear in quotation marks in this endorsement have special meaning. Refer to Section B - DEFINITION.**

- A. Notwithstanding any other provision, this policy, including its endorsements, does not cover:
1. Expenses, fines, penalties or costs incurred or sustained by the Insured or imposed on the Insured at the order of any government agency, court or other authority, in connection with any kind or description of environmental impairment including seepage or "pollution" or "contamination" from any cause whatsoever.
  2. Loss, damage, costs or expenses in connection with any kind of description of seepage and/or "pollution" and/or "contamination", direct or indirect, arising from any cause whatsoever.

Nevertheless, if fire is not excluded from this policy and a fire arises directly or indirectly from seepage and/or "pollution" and/or "contamination", any loss or damage insured under this policy arising directly from that fire shall (subject to the terms, exclusions, limits and conditions of this policy) be covered.

However, if the insured property is the subject of direct physical loss or damage for which the Company has paid or agreed to pay, then this policy (subject to its terms, exclusions, limits and conditions) insures against direct physical loss or damage to the insured property caused by resulting seepage and/or "pollution" and/or "contamination"; provided that nothing in the foregoing shall be construed to mean that this policy covers the cost of decontamination or removal or restoration or replacement of water, soil, or any other substance on or under the premises at any location covered hereunder.

The Insured shall give notice to the Company of intent to claim no later than twelve (12) months after the date of the original physical loss or damage.

B. **DEFINITION**

"Pollution" and/or "Contamination"

The terms "pollution" and/or "contamination" shall mean the presence of any material which after its release or discharge can cause or threaten damage to human health and/or human welfare, or causes or threatens damage, deterioration, loss of value, marketability and/or loss of use to insured property, including, but not limited to, bacteria, virus, or hazardous substances as listed in the Federal Water Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, and/or Toxic Substances Control Act, or as designated by the US Environmental Protection 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 endorsement is attached other than as above stated.

**Policy No.:** USP00074619  
**Effective Date:** June 01, 2019

**Endorsement No.**  
7

## **SANCTION LIMITATION AND EXCLUSION ENDORSEMENT**

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Policy No.: USP00074619  
Effective Date: June 01, 2019

Endorsement No.  
8

## TERRORISM ENDORSEMENT: EXCLUSION OF CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

Crown Intermediate Holdco, Inc. Property Insurance Policy

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

**This endorsement contains words or phrases that have specific Definitions. Refer to Items A. and B. below for details of these Definitions.**

### A. Definitions

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, as amended, 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. 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 if the location of the Insured's Covered Property or Property Insured is within a jurisdiction that has a Standard Fire Policy law.

If a "certified act of terrorism" results in fire, then we will pay for the loss or damage caused by that fire up to our share of the program limit. Such coverage for fire applies only to direct loss or damage by fire to Covered Property or Property Insured. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage, or to the Legal Liability coverage, or the Leasehold Interest coverage, or the Net Leasehold coverage.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, as amended, then 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.

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**TERRORISM ENDORSEMENT: EXCLUSION OF CERTIFIED ACT OF**  
**TERRORISM**

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**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 policy.

All other terms and conditions remain unchanged.