

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

SIREN SALON, INC., an Illinois citizen, )

Plaintiff, )

v. )

Case No.:

LIBERTY MUTUAL INSURANCE )

COMPANY, a Massachusetts citizen, )

**JURY TRIAL DEMANDED**

Defendant. )

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**COMPLAINT AT LAW**

NOW COMES, Plaintiff, SIREN SALON, INC. (“Plaintiff”), by and through its attorneys, Agruss Law Firm, LLC, and complaining of Defendant, LIBERTY MUTUAL INSURANCE COMPANY (“Defendant”), respectfully states unto this Honorable Court as follows:

**PARTIES**

1. At all times relevant hereto, Plaintiff was and is a citizen of the State of Illinois, as it is a business corporation incorporated under the laws of the State of Illinois and maintains its principal place of business in the State of Illinois.
2. At all times relevant hereto, Plaintiff operated a beauty parlor and hair styling salon business, known as Siren Salon, located at or about 3143 N. Lincoln Avenue, City of Chicago, Cook County, State of Illinois (“Covered Property”).
3. At all times relevant hereto, Defendant was and is a citizen of the Commonwealth of Massachusetts, as it is a business corporation incorporated under the laws of the

Commonwealth of Massachusetts and maintains its principal place of business in the Commonwealth of Massachusetts.

### **JURISDICTION and VENUE**

4. This court has diversity subject-matter jurisdiction over the instant case pursuant to 28 U.S.C. § 1332 as the parties are completely diverse in citizenship and the amount in controversy for Plaintiff's claim exceeds \$75,000, exclusive of interest and costs.
5. This court has personal jurisdiction over the Defendant pursuant to Federal Rule of Civil Procedure 4(k) as it is subject to the jurisdiction of a court of general jurisdiction in the state where the district court is located.
6. This court has personal jurisdiction over Defendant pursuant to Illinois' long-arm statute, 735 ILCS 5/2-209, because this matter concerns: (1) one or more contracts made to insure property and/or risk in Illinois, (2) business that Defendant transacted within Illinois, and (3) one or more contracts and/or promises Defendant made that are substantially connected with Illinois. 735 ILCS 5/2-209(a)(1), (4), and (7). In addition, Defendant exercises systematic and continuous contacts with Illinois by doing business in Illinois, serving insureds in Illinois, and seeking additional business in Illinois.
7. Venue is proper in the Northern District of Illinois pursuant to 28 U.S.C. § 1391(b)(2) as it is the judicial district in which a substantial part of the events or omissions giving rise to the claim occurred.

### **COVID-19 PANDEMIC**

8. As the Court is undoubtedly aware, SARS-CoV-2, the novel coronavirus that causes the COVID-19 disease, has caused a global pandemic.

## **EXECUTIVE ORDERS**

9. On March 20, 2020, Illinois Governor J.B. Pritzker issued COVID-19 Executive Order No. 8. A copy of which is attached hereto as Exhibit A.
10. COVID-19 Executive Order No. 8 ordered that, among other things, “non-essential business and operations must cease.” (Ex. A at 2).
11. COVID-19 Executive Order No. 8 allowed “Healthcare and Public Health Operations” to remain open as essential businesses—but expressly excluded, among others, “salons, barber shops, . . . and similar facilities.” (Ex. A at 3).
12. COVID-19 Executive Order No. 8 went in effect on March 21, 2020 at 5:00 p.m. and was set to expire on April 7, 2020. (Ex. A at 1).
13. On April 1, 2020, Illinois Governor J.B. Pritzker issued COVID-19 Executive Order No. 16. A copy of which is attached hereto as Exhibit B.
14. COVID-19 Executive Order No. 16 “extended in its entirety” COVID-19 Executive Order No. 8 through April 30, 2020. (Ex. B at 2, 3).
15. On April 30, 2020, Illinois Governor J.B. Pritzker issued COVID-19 Executive Order No. 33. A copy of which is attached hereto as Exhibit C.
16. COVID-19 Executive Order No. 33 “re-issued in its entirety and extended” COVID-19 Executive Order No. 8 through May 29, 2020. (Ex. C at 2).
17. As Plaintiff is a salon business, it has been ordered closed and out of business since March 21, 2020 at 5:00 p.m. by the COVID-19 Executive Orders.
18. Due to the existence of the COVID-19 Executive Orders issued by Illinois Governor J.B. Pritzker that ordered the closing of non-essential businesses, including salons, the Covered Property is not able to function as intended by Plaintiff and Defendant. Plaintiff

has lost the use of the Covered Property and as a result, Plaintiff is not able to provide salon services at the Covered Property, and has necessarily had to suspend business activities occurring at the Covered Property.

19. Plaintiff's loss of use of the Covered Property and Covered Property's inability to function as intended by Plaintiff and Defendant is a direct physical loss. As a result of this direct physical loss, Plaintiff has suffered loss of business income, has incurred extra expense to minimize the suspension of business and continue its operations, and has suffered other losses and damages.

### **POLICY**

20. On or about November 4, 2019, Defendant entered into a contract of insurance with Plaintiff in the event of a covered loss or damage.
21. On or about November 4, 2019, Defendant issued Plaintiff a Commercial Protector insurance policy ("Policy") bearing policy number 56350971. The Policy has an effective date of January 10, 2020 to January 10, 2021. A copy of the Policy in Plaintiff's possession is attached hereto as Exhibit D. A certified copy of the Policy is in the exclusive control of Defendant, and Plaintiff expects Defendant will produce the certified copy in discovery.
22. At all times material the Policy was in full force and effect and provided coverage to Plaintiff.
23. The Policy contains a Businessowners Coverage Form. (Ex. D at 39).
24. Under the heading Coverage, the Policy states that "[w]e will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss." (Ex. D at 39).

25. Under the heading Covered Causes of Loss, the Policy defines this as “[d]irect physical loss unless the loss is excluded or limited under Section I - Property.” (Ex. D at 40).
26. The Policy’s “Limitations” to coverage are listed on Exhibit D at page 40–41. The Policy’s “Exclusions” are listed on Exhibit D at pages 58–64.
27. The Policy also has an Exclusion for “[a]ny virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.” (Ex. D at 60).
28. The Policy’s Exclusion of Loss Due to Virus or Bacteria does not apply to the business losses incurred by Plaintiff here because they are proximately caused by the COVID-19 Executive Orders issued in response to the COVID-19 pandemic.
29. The Policy also contains an Exclusion for acts or decisions of any person, or governmental body, but ensuing (resulting) losses are covered:

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

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

(Ex. D at 63).

30. The Policy provides coverage for loss of business income, and states, in pertinent part:

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your “operations” during the “period of restoration”. The suspension must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss.

(Ex. D at 45).

31. The Policy defines “operations” as “your business activities occurring at the described premises.” (Ex. D at 76).

32. The Policy defines “period of restoration” in part as:

the period of time that: (1) Begins: (a) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or (b) Immediately after the time of direct physical loss or damage for Extra Expense Coverage; caused by or resulting from any Covered Cause of Loss at the described premises;

(Ex. D at 76).

33. The Policy also provides for extra expenses incurred as a result of direct physical loss, and states in part:

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

(Ex. D at 47).

34. The Policy defines “Extra Expense” in part as:

Expense incurred: (a) To avoid or minimize the suspension of business and to continue “operations”: (i) At the described premises; (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations. (b) To minimize the suspension of business if you cannot continue “operations”.

(Ex. D at 47).

35. The Policy also provides for coverage of loss of business income and extra expense under a “civil authority” provision, and states in part:

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

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

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

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

(Ex. D at 48).

36. The Policy also has a “civil authority” endorsement that modifies the foregoing and states in part:

Paragraph (a) under Paragraph A.5.m.(6) Business Income From Dependent Properties Additional Coverage is replaced by the following:

- (a) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises of the dependent property or secondary dependent property.

(Ex. D at 108).

37. The actions and prohibitions by Illinois Governor J.B. Pritzker, and his COVID-19 Executive Orders, are actions and prohibitions by a civil authority.

38. The COVID-19 Executive Orders constitute a prohibition of access to Plaintiff’s Covered Property.

39. The COVID-19 Executive Orders trigger coverage under the terms of the Policy.

40. The Policy provides coverage to Plaintiff for any current and future civil authority closure of its business due to physical loss or damage directly or indirectly from the COVID-19 pandemic under the civil authority coverage parameters.
41. The Policy provides business income coverage in the event that the COVID-19 pandemic directly or indirectly causes a loss or damage at the insured premises or immediate area of the Covered Property.
42. Plaintiff faithfully paid policy premiums to Defendant to provide all coverage included in the Policy.
43. Pursuant to the terms of the Policy, Defendant agreed to pay Plaintiff for Plaintiff's losses detailed herein.

**BREACH OF CONTRACT**

44. During the Policy period of January 10, 2020 to January 10, 2021, Plaintiff sustained direct physical loss to Covered Property from a covered cause of loss. Plaintiff also sustained a covered cause of loss resulting from an act or decision of a person or governmental body, and Plaintiff's loss is therefore a covered ensuing loss. Plaintiff also sustained a covered cause of loss resulting from an act or prohibition of a civil authority, and Plaintiff's loss is therefore a covered ensuing loss. Plaintiff also suffered loss of business income and extra expense, in addition to other losses and damages.
45. Plaintiff notified Defendant of its losses.
46. Plaintiff complied with all conditions precedent to entitle Plaintiff to recover under the Policy, or Defendant waived compliance with such conditions.



47. Defendant has failed to provide the coverages for Plaintiff's losses and has failed to pay for all of Plaintiff's losses. Defendant has denied all coverage for Plaintiff's claim. A copy of Defendant's denial letter of May 8, 2020 is attached as Exhibit E.

48. Defendant's failure to pay for Plaintiff's covered losses is a material breach of contract.

49. Defendant further breached its contract with Plaintiff by:

- a. failing to fully investigate the loss;
- b. conducting a biased and outcome-oriented investigation of the loss;
- c. not promptly paying Plaintiff all benefits owed as a result of the covered loss;
- d. failing to pay for all consequential damage; and
- e. not putting Plaintiff in the position it would have been in had Defendant timely performed all of its contractual duties.

50. As a direct and proximate result of Defendant's breach of contract, Plaintiff:

- a. suffered and will continue to suffer loss of business income and extra expenses;
- b. incurred and will incur in the future loss of business income and extra expenses;
- c. suffered and will continue to suffer consequential damages;
- d. is entitled to an award of prejudgment interest, taxable costs, and investigatory fees; and
- e. incurred other expenses as a result of Defendant's breach of contract.

WHEREFORE, Plaintiff, SIREN SALON, INC., prays for judgment against Defendant, LIBERTY MUTUAL INSURANCE COMPANY, for:

- a. Actual damages;
- b. Attorney's fees and costs;
- c. Prejudgment and postjudgment interest; and

d. Any further and additional relief as the Court may deem to be appropriate.

Respectfully submitted,  
AGRUSS LAW FIRM, LLC

By: /s/ James J. Parr

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# **EXHIBIT A**



March 20, 2020

Executive Order 2020-10

**EXECUTIVE ORDER IN RESPONSE TO COVID-19**  
**(COVID-19 EXECUTIVE ORDER NO. 8)**

**WHEREAS**, I, JB Pritzker, Governor of Illinois, declared all counties in the State of Illinois as a disaster area on March 9, 2020 (Gubernatorial Disaster Proclamation) in response to the outbreak of Coronavirus Disease 2019 (COVID-19); and,

**WHEREAS**, in a short period of time, COVID-19 has rapidly spread throughout Illinois, necessitating updated and more stringent guidance from federal, state, and local public health officials; and,

**WHEREAS**, for the preservation of public health and safety throughout the entire State of Illinois, and to ensure that our healthcare delivery system is capable of serving those who are sick, I find it necessary to take additional measures consistent with public health guidance to slow and stop the spread of COVID-19;

**WHEREAS**, COVID-19 has resulted in significant economic impact, including loss of income and wages, that threaten to undermine housing security and stability;

**WHEREAS**, the enforcement of eviction orders for residential premises is contrary to the interest of preserving public health and ensuring that individuals remain in their homes during this public health emergency;

**THEREFORE**, by the powers vested in me as the Governor of the State of Illinois, and pursuant to Sections 7(1), 7(2), 7(8), 7(10), and 7(12) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, and consistent with the powers in public health laws, I hereby order the following, effective March 21, 2020 at 5:00 pm and for the remainder of the duration of the Gubernatorial Disaster Proclamation, which currently extends through April 7, 2020:

**Section 1. Stay at Home; Social Distancing Requirements; and Essential Businesses and Operations**

1. **Stay at home or place of residence.** With exceptions as outlined below, all individuals currently living within the State of Illinois are ordered to stay at home or at their place of residence except as allowed in this Executive Order. To the extent individuals are using shared or outdoor spaces when outside their residence, they must at all times and as much as reasonably possible maintain social distancing of at least six feet from any other person, consistent with the Social Distancing Requirements set forth in this Executive Order. All persons may leave their homes or place of residence only for Essential Activities, Essential Governmental Functions, or to operate Essential Businesses and Operations, all as defined below.

Individuals experiencing homelessness are exempt from this directive, but are strongly urged to obtain shelter, and governmental and other entities are strongly urged to make

such shelter available as soon as possible and to the maximum extent practicable (and to use in their operation COVID-19 risk mitigation practices recommended by the U.S. Centers for Disease Control and Prevention (CDC) and the Illinois Department of Public Health (IDPH)). Individuals whose residences are unsafe or become unsafe, such as victims of domestic violence, are permitted and urged to leave their home and stay at a safe alternative location. For purposes of this Executive Order, homes or residences include hotels, motels, shared rental units, shelters, and similar facilities.

2. **Non-essential business and operations must cease.** All businesses and operations in the State, except Essential Businesses and Operations as defined below, are required to cease all activities within the State except Minimum Basic Operations, as defined below. For clarity, businesses may also continue operations consisting exclusively of employees or contractors performing activities at their own residences (i.e., working from home).

All Essential Businesses and Operations are encouraged to remain open. To the greatest extent feasible, Essential Businesses and Operations shall comply with Social Distancing Requirements as defined in this Executive Order, including by maintaining six-foot social distancing for both employees and members of the public at all times, including, but not limited to, when any customers are standing in line.

3. **Prohibited activities.** All public and private gatherings of any number of people occurring outside a single household or living unit are prohibited, except for the limited purposes permitted by this Executive Order. Pursuant to current guidance from the CDC, any gathering of more than ten people is prohibited unless exempted by this Executive Order. Nothing in this Executive Order prohibits the gathering of members of a household or residence.

All places of public amusement, whether indoors or outdoors, including but not limited to, locations with amusement rides, carnivals, amusement parks, water parks, aquariums, zoos, museums, arcades, fairs, children's play centers, playgrounds, funplexes, theme parks, bowling alleys, movie and other theaters, concert and music halls, and country clubs or social clubs shall be closed to the public.

This Executive Order supersedes Section 2 of Executive Order 2020-07 (COVID-19 Executive Order No. 5), which prohibited gatherings of 50 people or more.

4. **Prohibited and permitted travel.** All travel, including, but not limited to, travel by automobile, motorcycle, scooter, bicycle, train, plane, or public transit, except Essential Travel and Essential Activities as defined herein, is prohibited. People riding on public transit must comply with Social Distancing Requirements to the greatest extent feasible. This Executive Order allows travel into or out of the State to maintain Essential Businesses and Operations and Minimum Basic Operations.
5. **Leaving the home for essential activities is permitted.** For purposes of this Executive Order, individuals may leave their residence only to perform any of the following Essential Activities:
  - a. **For health and safety.** To engage in activities or perform tasks essential to their health and safety, or to the health and safety of their family or household members (including, but not limited to, pets), such as, by way of example only and without limitation, seeking emergency services, obtaining medical supplies or medication, or visiting a health care professional.
  - b. **For necessary supplies and services.** To obtain necessary services or supplies for themselves and their family or household members, or to deliver those services or supplies to others, such as, by way of example only and without limitation, groceries and food, household consumer products, supplies they need

to work from home, and products necessary to maintain the safety, sanitation, and essential operation of residences.

- c. **For outdoor activity.** To engage in outdoor activity, provided the individuals comply with Social Distancing Requirements, as defined below, such as, by way of example and without limitation, walking, hiking, running, or biking. Individuals may go to public parks and open outdoor recreation areas. However, playgrounds may increase spread of COVID-19, and therefore shall be closed.
  - d. **For certain types of work.** To perform work providing essential products and services at Essential Businesses or Operations (which, as defined below, includes Healthcare and Public Health Operations, Human Services Operations, Essential Governmental Functions, and Essential Infrastructure) or to otherwise carry out activities specifically permitted in this Executive Order, including Minimum Basic Operations.
  - e. **To take care of others.** To care for a family member, friend, or pet in another household, and to transport family members, friends, or pets as allowed by this Executive Order.
6. **Elderly people and those who are vulnerable as a result of illness should take additional precautions.** People at high risk of severe illness from COVID-19, including elderly people and those who are sick, are urged to stay in their residence to the extent possible except as necessary to seek medical care. Nothing in this Executive Order prevents the Illinois Department of Public Health or local public health departments from issuing and enforcing isolation and quarantine orders pursuant to the Department of Public Health Act, 20 ILCS 2305.
7. **Healthcare and Public Health Operations.** For purposes of this Executive Order, individuals may leave their residence to work for or obtain services through Healthcare and Public Health Operations.

Healthcare and Public Health Operations includes, but is not limited to: hospitals; clinics; dental offices; pharmacies; public health entities, including those that compile, model, analyze and communicate public health information; pharmaceutical, pharmacy, medical device and equipment, and biotechnology companies (including operations, research and development, manufacture, and supply chain); organizations collecting blood, platelets, plasma, and other necessary materials; licensed medical cannabis dispensaries and licensed cannabis cultivation centers; reproductive health care providers; eye care centers, including those that sell glasses and contact lenses; home healthcare services providers; mental health and substance use providers; other healthcare facilities and suppliers and providers of any related and/or ancillary healthcare services; and entities that transport and dispose of medical materials and remains.

Specifically included in Healthcare and Public Health Operations are manufacturers, technicians, logistics, and warehouse operators and distributors of medical equipment, personal protective equipment (PPE), medical gases, pharmaceuticals, blood and blood products, vaccines, testing materials, laboratory supplies, cleaning, sanitizing, disinfecting or sterilization supplies, and tissue and paper towel products.

Healthcare and Public Health Operations also includes veterinary care and all healthcare services provided to animals.

Healthcare and Public Health Operations shall be construed broadly to avoid any impacts to the delivery of healthcare, broadly defined. Healthcare and Public Health Operations does not include fitness and exercise gyms, spas, salons, barber shops, tattoo parlors, and similar facilities.



8. **Human Services Operations.** For purposes of this Executive Order, individuals may leave their residence to work for or obtain services at any Human Services Operations, including any provider funded by the Illinois Department of Human Services, Illinois Department of Children and Family Services, or Medicaid that is providing services to the public and including state-operated, institutional, or community-based settings providing human services to the public.

Human Services Operations includes, but is not limited to: long-term care facilities; all entities licensed pursuant to the Child Care Act, 225 ILCS 10, except for day care centers, day care homes, group day care homes, and day care centers licensed as specified in Section 12(s) of this Executive Order; residential settings and shelters for adults, seniors, children, and/or people with developmental disabilities, intellectual disabilities, substance use disorders, and/or mental illness; transitional facilities; home-based settings to provide services to individuals with physical, intellectual, and/or developmental disabilities, seniors, adults, and children; field offices that provide and help to determine eligibility for basic needs including food, cash assistance, medical coverage, child care, vocational services, rehabilitation services; developmental centers; adoption agencies; businesses that provide food, shelter, and social services, and other necessities of life for economically disadvantaged individuals, individuals with physical, intellectual, and/or developmental disabilities, or otherwise needy individuals.

Human Services Operations shall be construed broadly to avoid any impacts to the delivery of human services, broadly defined.

9. **Essential Infrastructure.** For purposes of this Executive Order, individuals may leave their residence to provide any services or perform any work necessary to offer, provision, operate, maintain and repair Essential Infrastructure.

Essential Infrastructure includes, but is not limited to: food production, distribution, and sale; construction (including, but not limited to, construction required in response to this public health emergency, hospital construction, construction of long-term care facilities, public works construction, and housing construction); building management and maintenance; airport operations; operation and maintenance of utilities, including water, sewer, and gas; electrical (including power generation, distribution, and production of raw materials); distribution centers; oil and biofuel refining; roads, highways, railroads, and public transportation; ports; cybersecurity operations; flood control; solid waste and recycling collection and removal; and internet, video, and telecommunications systems (including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, and web-based services).

Essential Infrastructure shall be construed broadly to avoid any impacts to essential infrastructure, broadly defined.

10. **Essential Governmental Functions.** For purposes of this Executive Order, all first responders, emergency management personnel, emergency dispatchers, court personnel, law enforcement and corrections personnel, hazardous materials responders, child protection and child welfare personnel, housing and shelter personnel, military, and other governmental employees working for or to support Essential Businesses and Operations are categorically exempt from this Executive Order.

Essential Government Functions means all services provided by the State or any municipal, township, county, subdivision or agency of government and needed to ensure the continuing operation of the government agencies or to provide for or support the health, safety and welfare of the public, and including contractors performing Essential Government Functions. Each government body shall determine its Essential Governmental Functions and identify employees and/or contractors necessary to the performance of those functions.

This Executive Order does not apply to the United States government. Nothing in this Executive Order shall prohibit any individual from performing or accessing Essential Governmental Functions.

11. **Businesses covered by this Executive Order.** For the purposes of this Executive Order, covered businesses include any for-profit, non-profit, or educational entities, regardless of the nature of the service, the function it performs, or its corporate or entity structure.
12. **Essential Businesses and Operations.** For the purposes of this Executive Order, Essential Businesses and Operations means Healthcare and Public Health Operations, Human Services Operations, Essential Governmental Functions, and Essential Infrastructure, and the following:<sup>1</sup>
  - a. **Stores that sell groceries and medicine.** Grocery stores, pharmacies, certified farmers' markets, farm and produce stands, supermarkets, convenience stores, and other establishments engaged in the retail sale of groceries, canned food, dry goods, frozen foods, fresh fruits and vegetables, pet supplies, fresh meats, fish, and poultry, alcoholic and non-alcoholic beverages, and any other household consumer products (such as cleaning and personal care products). This includes stores that sell groceries, medicine, including medication not requiring a medical prescription, and also that sell other non-grocery products, and products necessary to maintaining the safety, sanitation, and essential operation of residences and Essential Businesses and Operations;
  - b. **Food, beverage, and cannabis production and agriculture.** Food and beverage manufacturing, production, processing, and cultivation, including farming, livestock, fishing, baking, and other production agriculture, including cultivation, marketing, production, and distribution of animals and goods for consumption; licensed medical and adult use cannabis dispensaries and licensed cannabis cultivation centers; and businesses that provide food, shelter, and other necessities of life for animals, including animal shelters, rescues, shelters, kennels, and adoption facilities;
  - c. **Organizations that provide charitable and social services.** Businesses and religious and secular nonprofit organizations, including food banks, when providing food, shelter, and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals, individuals who need assistance as a result of this emergency, and people with disabilities;
  - d. **Media.** Newspapers, television, radio, and other media services;
  - e. **Gas stations and businesses needed for transportation.** Gas stations and auto-supply, auto-repair, and related facilities and bicycle shops and related facilities;
  - f. **Financial institutions.** Banks, currency exchanges, consumer lenders, including but not limited, to payday lenders, pawnbrokers, consumer installment lenders and sales finance lenders, credit unions, appraisers, title companies, financial markets, trading and futures exchanges, affiliates of financial institutions, entities that issue bonds, related financial institutions, and institutions selling financial products;
  - g. **Hardware and supply stores.** Hardware stores and businesses that sell electrical, plumbing, and heating material;

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<sup>1</sup> On March 19, 2020, the U.S. Department of Homeland Security, Cybersecurity & Infrastructure Security Agency, issued a *Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response*. The definition of Essential Businesses and Operations in this Order is meant to encompass the workers identified in that Memorandum.



- h. **Critical trades.** Building and Construction Tradesmen and Tradeswomen, and other trades including but not limited to plumbers, electricians, exterminators, cleaning and janitorial staff for commercial and governmental properties, security staff, operating engineers, HVAC, painting, moving and relocation services, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences, Essential Activities, and Essential Businesses and Operations;
- i. **Mail, post, shipping, logistics, delivery, and pick-up services.** Post offices and other businesses that provide shipping and delivery services, and businesses that ship or deliver groceries, food, alcoholic and non-alcoholic beverages, goods or services to end users or through commercial channels;
- j. **Educational institutions.** Educational institutions—including public and private pre-K-12 schools, colleges, and universities—for purposes of facilitating distance learning, performing critical research, or performing essential functions, provided that social distancing of six-feet per person is maintained to the greatest extent possible. This Executive Order is consistent with and does not amend or supersede Executive Order 2020-05 (COVID-19 Executive Order No. 3) or Executive Order 2020-06 (COVID-19 Executive Order No. 4) except that affected schools are ordered closed through April 7, 2020;
- k. **Laundry services.** Laundromats, dry cleaners, industrial laundry services, and laundry service providers;
- l. **Restaurants for consumption off-premises.** Restaurants and other facilities that prepare and serve food, but only for consumption off-premises, through such means as in-house delivery, third-party delivery, drive-through, curbside pick-up, and carry-out. Schools and other entities that typically provide food services to students or members of the public may continue to do so under this Executive Order on the condition that the food is provided to students or members of the public on a pick-up and takeaway basis only. Schools and other entities that provide food services under this exemption shall not permit the food to be eaten at the site where it is provided, or at any other gathering site due to the virus's propensity to physically impact surfaces and personal property. This Executive Order is consistent with and does not amend or supersede Section 1 of Executive Order 2020-07 (COVID-19 Executive Order No. 5) except that Section 1 is ordered to be extended through April 7, 2020;
- m. **Supplies to work from home.** Businesses that sell, manufacture, or supply products needed for people to work from home;
- n. **Supplies for Essential Businesses and Operations.** Businesses that sell, manufacture, or supply other Essential Businesses and Operations with the support or materials necessary to operate, including computers, audio and video electronics, household appliances; IT and telecommunication equipment; hardware, paint, flat glass; electrical, plumbing and heating material; sanitary equipment; personal hygiene products; food, food additives, ingredients and components; medical and orthopedic equipment; optics and photography equipment; diagnostics, food and beverages, chemicals, soaps and detergent; and firearm and ammunition suppliers and retailers for purposes of safety and security;
- o. **Transportation.** Airlines, taxis, transportation network providers (such as Uber and Lyft), vehicle rental services, paratransit, and other private, public, and commercial transportation and logistics providers necessary for Essential Activities and other purposes expressly authorized in this Executive Order;

- p. **Home-based care and services.** Home-based care for adults, seniors, children, and/or people with developmental disabilities, intellectual disabilities, substance use disorders, and/or mental illness, including caregivers such as nannies who may travel to the child's home to provide care, and other in-home services including meal delivery;
  - q. **Residential facilities and shelters.** Residential facilities and shelters for adults, seniors, children, and/or people with developmental disabilities, intellectual disabilities, substance use disorders, and/or mental illness;
  - r. **Professional services.** Professional services, such as legal services, accounting services, insurance services, real estate services (including appraisal and title services);
  - s. **Day care centers for employees exempted by this Executive Order.** Day care centers granted an emergency license pursuant to Title 89, Section 407.400 of the Illinois Administrative Code, governing Emergency Day Care Programs for children of employees exempted by this Executive Order to work as permitted. The licensing requirements for day care homes pursuant to Section 4 of the Child Care Act, 225 ILCS 10/4, are hereby suspended for family homes that receive up to 6 children for the duration of the Gubernatorial Disaster Proclamation.
  - t. **Manufacture, distribution, and supply chain for critical products and industries.** Manufacturing companies, distributors, and supply chain companies producing and supplying essential products and services in and for industries such as pharmaceutical, technology, biotechnology, healthcare, chemicals and sanitization, waste pickup and disposal, agriculture, food and beverage, transportation, energy, steel and steel products, petroleum and fuel, mining, construction, national defense, communications, as well as products used by other Essential Businesses and Operations.
  - u. **Critical labor union functions.** Labor Union essential activities including the administration of health and welfare funds and personnel checking on the well-being and safety of members providing services in Essential Businesses and Operations – provided that these checks should be done by telephone or remotely where possible.
  - v. **Hotels and motels.** Hotels and motels, to the extent used for lodging and delivery or carry-out food services.
  - w. **Funeral services.** Funeral, mortuary, cremation, burial, cemetery, and related services.
13. **Minimum Basic Operations.** For the purposes of this Executive Order, Minimum Basic Operations include the following, provided that employees comply with Social Distancing Requirements, to the extent possible, while carrying out such operations:
- a. The minimum necessary activities to maintain the value of the business's inventory, preserve the condition of the business's physical plant and equipment, ensure security, process payroll and employee benefits, or for related functions.
  - b. The minimum necessary activities to facilitate employees of the business being able to continue to work remotely from their residences.
14. **Essential Travel.** For the purposes of this Executive Order, Essential Travel includes travel for any of the following purposes. Individuals engaged in any Essential Travel must comply with all Social Distancing Requirements as defined in this Section.

- a. Any travel related to the provision of or access to Essential Activities, Essential Governmental Functions, Essential Businesses and Operations, or Minimum Basic Operations.
- b. Travel to care for elderly, minors, dependents, persons with disabilities, or other vulnerable persons.
- c. Travel to or from educational institutions for purposes of receiving materials for distance learning, for receiving meals, and any other related services.
- d. Travel to return to a place of residence from outside the jurisdiction.
- e. Travel required by law enforcement or court order, including to transport children pursuant to a custody agreement.
- f. Travel required for non-residents to return to their place of residence outside the State. Individuals are strongly encouraged to verify that their transportation out of the State remains available and functional prior to commencing such travel.

15. **Social Distancing Requirements.** For purposes of this Executive Order, Social Distancing Requirements includes maintaining at least six-foot social distancing from other individuals, washing hands with soap and water for at least twenty seconds as frequently as possible or using hand sanitizer, covering coughs or sneezes (into the sleeve or elbow, not hands), regularly cleaning high-touch surfaces, and not shaking hands.

- a. **Required measures.** Essential Businesses and Operations and businesses engaged in Minimum Basic Operations must take proactive measures to ensure compliance with Social Distancing Requirements, including where possible:
  - i. **Designate six-foot distances.** Designating with signage, tape, or by other means six-foot spacing for employees and customers in line to maintain appropriate distance;
  - ii. **Hand sanitizer and sanitizing products.** Having hand sanitizer and sanitizing products readily available for employees and customers;
  - iii. **Separate operating hours for vulnerable populations.** Implementing separate operating hours for elderly and vulnerable customers; and
  - iv. **Online and remote access.** Posting online whether a facility is open and how best to reach the facility and continue services by phone or remotely.

16. **Intent of this Executive Order.** The intent of this Executive Order is to ensure that the maximum number of people self-isolate in their places of residence to the maximum extent feasible, while enabling essential services to continue, to slow the spread of COVID-19 to the greatest extent possible. When people need to leave their places of residence, whether to perform Essential Activities, or to otherwise facilitate authorized activities necessary for continuity of social and commercial life, they should at all times and as much as reasonably possible comply with Social Distancing Requirements. All provisions of this Executive Order should be interpreted to effectuate this intent.

17. **Enforcement.** This Executive Order may be enforced by State and local law enforcement pursuant to, *inter alia*, Section 7, Section 18, and Section 19 of the Illinois Emergency Management Agency Act, 20 ILCS 3305.

18. **No limitation on authority.** Nothing in this Executive Order shall, in any way, alter or modify any existing legal authority allowing the State or any county, or local government

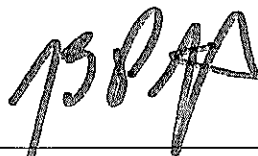
body from ordering (1) any quarantine or isolation that may require an individual to remain inside a particular residential property or medical facility for a limited period of time, including the duration of this public health emergency, or (2) any closer of a specific location for a limited period of time, including the duration of this public health emergency. Nothing in this Executive Order shall, in any way, alter or modify any existing legal authority allowing a county or local government body to enact provisions that are stricter than those in this Executive Order.

**Section 2. Order ceasing evictions.**

Pursuant to the Illinois Emergency Management Agency Act, 20 ILCS 3305/7(2), (8), and (10), all state, county, and local law enforcement officers in the State of Illinois are instructed to cease enforcement of orders of eviction for residential premises for the duration of the Gubernatorial Disaster Proclamation. No provision contained in this Executive Order shall be construed as relieving any individual of the obligation to pay rent, to make mortgage payments, or to comply with any other obligation that an individual may have under tenancy or mortgage.

**Section 3. Savings clause.**

If any provision of this Executive Order or its application to any person or circumstance is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order, which can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.



JB Pritzker, Governor

Issued by the Governor March 20, 2020

Filed by the Secretary of State March 20, 2020

**FILED**  
INDEX DEPARTMENT  
MAR. 20 2020  
IN THE OFFICE OF  
SECRETARY OF STATE

# **EXHIBIT B**





April 1, 2020

Executive Order 2020-18

**EXECUTIVE ORDER IN RESPONSE TO COVID-19**  
**(COVID-19 EXECUTIVE ORDER NO. 16)**

WHEREAS, Coronavirus 2019 (COVID-19) is a novel severe acute respiratory illness that can spread among people through respiratory transmissions and present with symptoms similar to those of influenza; and,

WHEREAS, on March 11, 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic; and,

WHEREAS, despite efforts to contain COVID-19, the World Health Organization (WHO) and the federal Centers for Disease Control and Prevention (CDC) have declared that it is expected to spread; and,

WHEREAS, certain populations are at higher risk of experiencing more severe illness as a result of COVID-19, including older adults and people who have serious chronic medical conditions such as heart disease, diabetes, or lung disease; and,

WHEREAS, in a short period of time, COVID-19 has rapidly spread throughout Illinois, necessitating updated and more stringent guidance from federal, state, and local public health officials; and,

WHEREAS, social distancing, which requires maintaining at least a six-foot distance between people, is a paramount strategy for minimizing the spread of COVID-19 in our communities; and,

WHEREAS, current testing availability has identified further spread of confirmed cases throughout the State of Illinois, and it is expected that increased testing capacity would demonstrate that COVID-19 is circulating in communities across Illinois that currently have not identified a confirmed case; and,

WHEREAS, the number of suspected COVID-19 cases in Illinois is increasing exponentially and across more locations in Illinois, indicating that drastic social distancing measures are needed, even in communities where confirmed cases have not yet been identified, to reduce the number of people who become sick at any given time and the possibility of exhausting our health care resources; and,

WHEREAS, I, JB Pritzker, Governor of Illinois, declared all counties in the State of Illinois as a disaster area on March 9, 2020 (the First Gubernatorial Disaster Proclamation) in response to the outbreak of COVID-19; and,

WHEREAS, I again declared all counties in the State of Illinois as a disaster area on April 1, 2020 (the Second Gubernatorial Disaster Proclamation, and, together with the First Gubernatorial Disaster Proclamation, the Gubernatorial Disaster Proclamations) in response to the exponential spread of COVID-19; and,

WHEREAS, for the preservation of public health and safety throughout the entire State of Illinois, and to ensure that our healthcare delivery system is capable of serving those who are sick, I find it necessary to take additional measures consistent with public health guidance to slow and stop the spread of COVID-19; and,

WHEREAS, I find it necessary to continue and extend the Executive Orders issued to date in response to the outbreak of COVID-19, Executive Orders 2020-03, 2020-04, 2020-05, 2020-06, 2020-07, 2020-08, 2020-09, 2020-10, 2020-11, 2020-12, 2020-13, 2020-14, 2020-15, 2020-16, and 2020-17, and hereby incorporate the WHEREAS clauses of those Executive Orders;

THEREFORE, by the powers vested in me as the Governor of the State of Illinois, pursuant to Sections 7(1), 7(2), 7(3), 7(8), 7(9), and 7(12) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, and consistent with the powers in public health laws, I hereby order the following:

**Part 1: Continuing and Extending Prior Executive Orders.**

Executive Orders 2020-03, 2020-04, 2020-05, 2020-06, 2020-07, 2020-08, 2020-09, 2020-10, 2020-11, 2020-12, 2020-13, 2020-14, 2020-15, 2020-16, and 2020-17 hereby are continued and extended by this Executive Order 2020-18 as follows:

**Executive Order 2020-04 (Closure of James R. Thompson Center; Waiver of Sick Leave Requirement for State Employees):**

Section 1. Beginning March 16, 2020, the James R. Thompson Center located at 100 W. Randolph Street, Chicago, Illinois, is closed for the duration of the Gubernatorial Disaster Proclamations to members of the public, except as necessary for the conduct of state business, to obtain services from a state agency or constitutional office, or to operate a business located in the James R. Thompson Center. This closure does not affect public access to businesses located on the ground floor in the James R. Thompson Center through exterior entrances, except as otherwise specified in this Order.

Section 2. Beginning March 13, 2020, the two-year continuous service requirement for state employees to receive advancement of sick leave pursuant to Title 80, Section 303.110 of the Illinois Administrative Code Personnel Rules, is suspended during the duration of the Gubernatorial Disaster Proclamations.

**Executive Orders 2020-05 and 2020-06 (School Closures):**

Executive Orders 2020-05 and 2020-06 are continued and extended in their entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-07 (Suspension of on-premises consumption at restaurants and bars; Unemployment insurance; Open Meetings Act):**

Section 1. Beginning March 16, 2020 at 9 p.m. through April 30, 2020, all businesses in the State of Illinois that offer food or beverages for on-premises consumption—including restaurants, bars, grocery stores, and food halls—must suspend service for and may not permit on-premises consumption. Such businesses are permitted and encouraged to serve food and beverages so that they may be consumed off-premises, as currently permitted by law, through means such as in-house delivery, third-party delivery, drive-through, and curbside pick-up. In addition, customers may enter the premises to purchase food or beverages for carry-out. However, establishments offering food or beverages for carry-out, including food trucks, must ensure that they have an environment where patrons maintain adequate social distancing. Businesses located in airports, hospitals, and dining halls in colleges and universities are exempt from the requirements of this Executive Order. Hotel restaurants may continue to provide room service and carry-out. Catering services may continue.

Section 2. Pursuant to Sections 7(2) and 7(3) of the Illinois Emergency Management Act, the Illinois State Police, the Illinois Department of Public Health, the State Fire

Marshal, and the Illinois Liquor Control Commission are directed to cooperate with one another and to use available resources to enforce the provisions of this Executive Order with respect to entities under their jurisdiction under Illinois law.

Section 3. Nothing in this Executive Order shall amend or supersede the authority of the Illinois Department of Public Health pursuant to Section 2310-15 of the Department of Public Health Powers and Duties Law, 20 ILCS 2310/2310-15.

Section 4. During the duration of the Gubernatorial Disaster Proclamations, the provision of the Unemployment Insurance Act, 820 ILCS 405/500(D), requiring a one-week waiting period for unemployment insurance claims is suspended for claimants who are unemployed and who are otherwise eligible for unemployment insurance benefits.

Section 5. During the duration of the Gubernatorial Disaster Proclamations, the provisions of the Open Meetings Act, 5 ILCS 120, requiring or relating to in-person attendance by members of a public body are suspended. Specifically, (1) the requirement in 5 ILCS 120/2.01 that “members of a public body must be physically present” is suspended; and (2) the conditions in 5 ILCS 120/7 limiting when remote participation is permitted are suspended. Public bodies are encouraged to postpone consideration of public business where possible. When a meeting is necessary, public bodies are encouraged to provide video, audio, and/or telephonic access to meetings to ensure members of the public may monitor the meeting, and to update their websites and social media feeds to keep the public fully apprised of any modifications to their meeting schedules or the format of their meetings due to COVID-19, as well their activities relating to COVID-19.

**Executive Order 2020-08 (Secretary of State Operations):**

Executive Order 2020-08 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-09 (Telehealth):**

Executive Order 2020-09 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-10 (Stay at Home; Social distancing; Evictions ceased):**

Executive Order 2020-10 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-11 (Revisions to Executive Orders 2020-05 and 2020-10; Department of Corrections notification period):**

Executive Order 2020-11 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-12 (Health care worker background checks; Department of Juvenile Justice notification period; Coal Mining Act):**

Executive Order 2020-12 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-13 (Suspending Department of Corrections admissions from county jails):**

Executive Order 2020-13 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-14 (Notary and witness guidelines):**



Executive Order 2020-14 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

Executive Order 2020-14, Section 2, Paragraphs (h) and (i) hereby are amended and revised as follows:

- h. The signatory must transmit by overnight mail, fax, or electronic means a legible copy of the entire signed document directly to the witness no later than the day after the document is signed;
- i. The witness must sign the transmitted copy of the document as a witness and transmit the signed copy of the document back via overnight mail, fax, or electronic means to the signatory within 24 hours of receipt; and

**Executive Order 2020-15 (Suspending provisions of the Illinois School Code):**

Executive Order 2020-15 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-16 (Repossession of vehicles; suspension of classroom training requirement for security services):**

Executive Order 2020-16 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Orders 2020-03 and 2020-17 (Cannabis deadlines and applications):**

Section 1. The application submission deadlines in the Cannabis Regulation and Tax Act and implementing regulations for submitting applications by March 16, 2020, which previously were suspended pursuant to Executive Order 2020-03 and extended through March 30, 2020, and extended through Executive Order 2020-17 to April 7, 2020, hereby are suspended as follows:

- a. The March 16, 2020, deadline for submission of craft grower license applications pursuant to Title 8, Section 1300.300(b) of the Illinois Administrative Code, which was extended through Executive Order 2020-03 to March 30, 2020, and extended through Executive Order 2020-17 to April 7, 2020, is extended to **April 30, 2020**; and
- b. The March 16, 2020, deadline for submission of infuser license applications pursuant to Section 35-5(b) of the Cannabis Regulation and Tax Act, 410 ILCS 705/35-5(b) and Title 8, Section 1300.400(b) of the Illinois Administrative Code, which was extended through Executive Order 2020-03 to March 30, 2020, and extended through Executive Order 2020-17 to April 7, 2020, is extended to **April 30, 2020**; and
- c. The March 16, 2020, deadline for submission of transporter license applications pursuant to Section 40-5(b) of the cannabis Regulation and Tax Act, 40 ILCS 705/40-5(b) and Title 8, Section 1300.510(b)(1)(A) of the Illinois Administrative Code, which was extended through Executive Order 2020-03 to March 30, 2020, and extended through Executive Order 2020-17 to April 7, 2020, is extended to **April 30, 2020**.

Section 2. Any statutory or regulatory requirement to accept such applications in-person is suspended and the Department of Agriculture is directed to cease accepting in-person applications beginning 5 p.m. Central Time March 12, 2020.

Section 3. The Illinois Department of Agriculture is further directed to accept all craft grower, infuser, and transporter license applications post-marked on or before April 30, 2020, via certified US Mail at:

Illinois Department of Agriculture  
c/o Bureau of Medicinal Plants  
P.O. Box 19281  
Springfield, IL 62794-9281 USA

**Part 2: Savings Clause.** If any provision of this Executive Order or its application to any person or circumstance is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order, which can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.

  
JB Pritzker, Governor

Issued by the Governor April 1, 2020  
Filed by the Secretary of State April 1, 2020

**FILED**  
INDEX DEPARTMENT

APR 01 2020

IN THE OFFICE OF  
SECRETARY OF STATE

# **EXHIBIT C**



FILED  
INDEX DEPARTMENT

MAY 06 2020

IN THE OFFICE OF  
SECRETARY OF STATE  
CORRECTED  
Executive Order 2020-33

April 30, 2020

**EXECUTIVE ORDER IN RESPONSE TO COVID-19**  
**(COVID-19 EXECUTIVE ORDER NO. 31)**

WHEREAS, protecting the health and safety of Illinoisans is among the most important functions of State government; and,

WHEREAS, Coronavirus Disease 2019 (COVID-19) is a novel severe acute respiratory illness that has spread among people through respiratory transmissions, the World Health Organization declared COVID-19 a Public Health Emergency of International Concern on January 30, 2020, and the United States Secretary of Health and Human Services declared that COVID-19 presents a public health emergency on January 27, 2020; and,

WHEREAS, as the virus has progressed through Illinois, the crisis facing the State has developed and now requires an evolving response to ensure hospitals, health care professionals and first responders are able to meet the health care needs of all Illinoisans and in a manner consistent with CDC guidance that continues to be updated; and,

WHEREAS, I declared all counties in the State of Illinois as a disaster area on April 30, 2020 because the current circumstances in Illinois surrounding the spread of COVID-19, including the devastating impacts to the health and lives of people throughout the State, the threatened shortages of hospital beds, ICU beds, ventilators, and PPE, and the critical need for increased COVID-19 testing capacity, constitute an epidemic emergency and a public health emergency; and,

WHEREAS, in response to the epidemic emergency and public health emergency described above, I find it necessary to re-issue Executive Orders 2020-03, 2020-04, 2020-05, 2020-06, 2020-07, 2020-08, 2020-09, 2020-11, 2020-12, 2020-13, 2020-14, 2020-15, 2020-16, 2020-17, 2020-19, 2020-20, 2020-21, 2020-22, 2020-23, 2020-24, 2020-25, 2020-26, 2020-27, 2020-28, 2020-29, 2020-30, and 2020-31, and hereby incorporate the WHEREAS clauses of those Executive Orders;

THEREFORE, by the powers vested in me as the Governor of the State of Illinois, pursuant to the Illinois Constitution and Sections 7(1), 7(2), 7(3), 7(8), 7(9), and 7(12) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, and consistent with the powers in public health laws, I hereby order the following, effective April 30, 2020:

**Part 1: Re-Issue of Executive Orders.**

Executive 2020-03, 2020-04, 2020-05, 2020-06, 2020-07, 2020-08, 2020-09, 2020-11, 2020-12, 2020-13, 2020-14, 2020-15, 2020-16, 2020-17, 2020-19, 2020-20, 2020-21, 2020-22, 2020-23, 2020-24, 2020-25, 2020-26, 2020-27, 2020-28, 2020-29, 2020-30, and 2020-31 hereby are re-issued by this Executive Order 2020-33 as follows:

**Executive Order 2020-04 (Closure of James R. Thompson Center; Waiver of Sick Leave Requirement for State Employees):**

Sections 2 and 3 of Executive Order 2020-04 are re-issued and extended through May 29, 2020.

**Executive Orders 2020-05 and 2020-06 (School Closures):**

Executive Orders 2020-05 and 2020-06 are re-issued in their entirety and extended through May 29, 2020.

**Executive Order 2020-07 (Suspension of on-premises consumption at restaurants and bars; Unemployment insurance; Open Meetings Act):**

Sections 1, 3, 4, 5, and 6, as amended below, of Executive Order 2020-07 are re-issued and extended through May 29, 2020.

Section 6. During the duration of the Gubernatorial Disaster Proclamation and through May 29, 2020, the provisions of the Open Meetings Act, 5 ILCS 120, requiring or relating to in-person attendance by members of a public body are suspended. Specifically, (1) the requirement in 5 ILCS 120/2.01 that “members of a public body must be physically present” is suspended; and (2) the conditions in 5 ILCS 120/7 limiting when remote participation is permitted are suspended. The provision of the Illinois Finance Authority Act that “[a]ll meetings shall be conducted at a single location within the State with a quorum of members physically present at this location,” 20 ILCS 3501/801-25, is suspended through May 29, 2020. The provision of the Illinois Administrative Code that a meeting of the Concealed Carry Licensing Review Board that requires a “quorum is in attendance at a meeting” as a condition for when “Commissioners may attend telephonically or electronically,” 20 Ill. Admin. Code 2900.110(c), is suspended through May 29, 2020.

Public bodies, including those listed specifically above, are encouraged to postpone consideration of public business where possible. When a meeting is necessary, public bodies are encouraged to provide video, audio, and/or telephonic access to meetings to ensure members of the public may monitor the meeting, and to update their websites and social media feeds to keep the public fully apprised of any modifications to their meeting schedules or the format of their meetings due to COVID-19, as well their activities relating to COVID-19.

**Executive Order 2020-08 (Secretary of State Operations):**

Executive Order 2020-08 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-09 (Telehealth):**

Executive Order 2020-09 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-11 (Revisions to prior Executive Orders; Department of Corrections notification period):**

Sections 3 and 4 of Executive Order 2020-11 are re-issued and extended through May 29, 2020.

**Executive Order 2020-12 (Health care worker background checks; Department of Juvenile Justice notification period; Coal Mining Act):**

Executive Order 2020-12 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-13 (Suspending Department of Corrections admissions from county jails):**

Executive Order 2020-13 is re-issued in its entirety and extended through May 29, 2020.



**Executive Order 2020-14 (Notary and witness guidelines):**

Executive Order 2020-14, as amended below, is re-issued in its entirety and extended through May 29, 2020.

Section 2. During the duration of the Gubernatorial Disaster Proclamation related to the outbreak of COVID-19, any act of witnessing required by Illinois law may be completed remotely by via two-way audio-video communication technology, provided that:

- a. The two-way audio-video communication technology must allow for direct, contemporaneous interaction between the individual signing the document (“the signatory”) and the witness by sight and sound;
- b. The two-way audio-video communication technology must be recorded and preserved by the signatory or the signatory’s designee for a period of at least three years;
- c. The signatory must attest to being physically located in Illinois during the two-way audio-video communication;
- d. The witness must attest to being physically located in Illinois during the two-way audio-video communication;
- e. The signatory must affirmatively state on the two-way audio-video communication what document the signatory is signing;
- f. Each page of the document being witnessed must be shown to the witness on the two-way audio-video communication technology in a means clearly legible to the witness and initialed by the signatory in the presence of the witness;
- g. The act of signing must be captured sufficiently up close on the two-way audio-video communication for the witness to observe;
- h. The signatory must transmit by overnight mail, fax, or electronic means a legible copy of the entire signed document directly to the witness no later than the day after the document is signed;
- i. The witness must sign the transmitted copy of the document as a witness and transmit the signed copy of the document back via overnight mail, fax, or electronic means to the signatory within 24 hours of receipt; and,
- j. If necessary, the witness may sign the original signed document as of the date of the original execution by the signatory provided that the witness receives the original signed document together with the electronically witnessed copy within thirty days from the date of the remote witnessing.

**Executive Order 2020-15 (Suspending provisions of the Illinois School Code):**

Executive Order 2020-15 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-16 (Repossession of vehicles; suspension of classroom training requirement for security services):**

Executive Order 2020-16 is re-issued in its entirety and extended through May 29, 2020.

**Executive Orders 2020-03 and 2020-17 (Cannabis deadlines and applications):**

Executive Orders 2020-03 and 2020-17, as modified by Executive Order 2020-18, are re-issued and shall remain in effect as specified by Executive Order 2020-18.

**Executive Order 2020-19 (Immunity from civil liability for health care facilities, professionals, and volunteers):**

Executive Order 2020-19, as amended below, is re-issued in its entirety and extended through May 29, 2020.

Section 1. For purposes of this Executive Order, the following terms are defined as set forth below:

- a. “Health Care Facilities” means:

- i. Facilities licensed, certified, or approved by any State agency and covered by the following: 77 Ill. Admin. Section 1130.215(a)-(f); University of Illinois Hospital Act, 110 ILCS 330; Alternative Health Care Delivery Act, 210 ILCS 3/35(2)-(4); Emergency Medical Services (EMS) Systems Act, 210 ILCS 50; or Department of Veterans' Affairs Act, 20 ILCS 2805;
- ii. State-operated Developmental Centers certified by the federal Centers for Medicare and Medicaid Services and licensed State-operated Mental Health Centers created pursuant to the Mental Health and Developmental Disabilities Administrative Act, 20 ILCS 1705/4;
- iii. Licensed community-integrated living arrangements as defined by the Community-Integrated Living Arrangements Licensing and Certification Act, 210 ILCS 135/2;
- iv. Licensed Community Mental Health Centers as defined in the Community Services Act, 405 ILCS 30;
- v. Federally qualified health centers under the Social Security Act, 42 U.S.C. § 1396d(l)(2)(B); and
- vi. Any government-operated site providing health care services established for the purpose of responding to the COVID-19 outbreak;
- vii. Supportive living facilities certified by the Illinois Department of Healthcare and Family Services pursuant to the Illinois Public Aid Code, 305 ILCS 5/5-5.01(a); and,
- viii. Assisted living establishments and shared housing establishments licensed by the DPH pursuant to the Assisted Living and Shared Housing Act, 210 ILCS 9.

"Health Care Facility" is the singular form of the plural "Health Care Facilities."

- b. "Health Care Professional" means all licensed or certified health care or emergency medical services workers who (i) are providing health care services at a Health Care Facility in response to the COVID-19 outbreak and are authorized to do so; or (ii) are working under the direction of the Illinois Emergency Management Agency (IEMA) or DPH in response to the Gubernatorial Disaster Proclamations.
- c. "Health Care Volunteer" means all volunteers or medical or nursing students who do not have licensure who (i) are providing services, assistance, or support at a Health Care Facility in response to the COVID-19 outbreak and are authorized to do so; or (ii) are working under the direction of IEMA or DPH in response to the Gubernatorial Disaster Proclamations.

Section 8. For purposes of Section 2, rendering assistance by hospitals licensed pursuant to the Illinois Hospital Licensing Act, 210 ILCS 85, must also include accepting a transfer of a COVID-19 patient from another hospital, including hospital inpatients, and state-operated entities (collectively, "transferring entities") that do not have the capacity and capability necessary to provide treatment for a COVID-19 patient. The receiving hospital shall accept such transfer of a COVID-19 patient if it has sufficient capacity and capability necessary to provide treatment for the COVID-19 patient. In determining whether a hospital has sufficient capacity and capability necessary to provide treatment for a COVID-19 patient, the hospital shall consider, at a minimum, its ability to provide safe and effective treatment consistent with current public health recommendations and available supplies, staffing, and medical bed capacity.

**Executive Order 2020-20 (Public assistance requirements):**

Executive Order 2020-20 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-21 (Furlough of Illinois Department of Corrections inmates):**

Executive Order 2020-21 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-22 (Township meetings; Funeral Directors and Embalmers Licensing Code; placements under the Child Care Act of 1969; fingerprint submissions under Health Care Worker Background Check Act):**

Executive Order 2020-22 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-23 (Actions by the Illinois Department of Financial and Professional Regulation for licensed professionals engaged in disaster response):**

Executive Order 2020-23 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-24 (Illinois Department of Human Services Forensic Treatment Program; investigations of Illinois Department of Human Services employees):**

Executive Order 2020-24 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-25 (Garnishment and wage deductions):**

Executive Order 2020-25 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-26 (Hospital capacity):**

Executive Order 2020-26 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-27 (Cadavers testing positive for COVID-19):**

Executive Order 2020-27 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-28 (Industrial radiography certifications):**

Executive Order 2020-28 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-29 (In-person education or exams for professional insurance licenses):**

Executive Order 2020-29 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-30 (Filing of residential eviction actions; enforcement of non-residential eviction orders; expired consular identification documents; electronic filings for the Illinois Human Rights Commission):**

Executive Order 2020-30, as amended below, is re-issued in its entirety and extended through May 29, 2020.

Section 3. All state, county, and local law enforcement officers in the State of Illinois are instructed to cease enforcement of orders of eviction for residential and non-residential premises, unless the tenant has been found to pose a direct threat to the health and safety of other tenants, an immediate and severe risk to property, or a violation of any applicable building code, health ordinance, or similar regulation. Nothing in this Executive Order shall be construed as relieving any individual or entity of the obligation to pay rent, to make mortgage payments, or comply with any other obligation that an individual or entity may have pursuant to a lease, ~~or~~ rental agreement, or mortgage. The continued need for this directive shall be evaluated upon issuance of any new Gubernatorial Disaster Proclamation.

**Executive Order 2020-31 (Educator licensure and student graduation requirements):**

Executive Order 2020-31 is re-issued in its entirety and extended through May 29, 2020.



**Part 2: Savings Clause.** If any provision of this Executive Order or its application to any person or circumstance is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order, which can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.

  
JB Pritzker, Governor

Issued by the Governor April 30, 2020  
Filed by the Secretary of State April 30, 2020

**FILED**  
INDEX DEPARTMENT

MAY 06 2021

IN THE OFFICE OF  
SECRETARY OF STATE

# **EXHIBIT D**



## Policyholder Information

### Named Insured & Mailing Address

SIREN SALON INC  
3143 N LINCOLN AVE  
CHICAGO, IL 60657

### Agent Mailing Address & Phone No.

(866) 570-5153  
ASSURANCE AGENCY  
20 N MARTINGALE RD STE 100  
SCHAUMBURG, IL 60173-2423

### Dear Policyholder:

Your  
Commercial  
Documents

We know you work hard to build your business. We work together with your agent, **ASSURANCE AGENCY** **(866) 570-5153** to help protect the things you care about. Thank you for selecting us.

THIS IS  
NOT A  
BILL

Enclosed are your insurance documents consisting of:

- Commercial Protector

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

If you have any questions or changes that may affect your insurance needs, please contact your Agent at (866) 570-5153



### Reminders

- Verify that all information is correct
- If you have any changes, please contact your Agent at (866) 570-5153
- In case of a claim, call your Agent or 1-844-325-2467

### You Need To Know

- CONTINUED ON NEXT PAGE

To report a claim, call your Agent or 1-844-325-2467

**You Need To Know - continued**

- **NOTICE(S) TO POLICYHOLDER(S)**

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

<b>FORM NUMBER</b>	<b>TITLE</b>
AO 90 00 07 18	Illinois Uninsured Motorists Coverage and Underinsured Motorists Coverage Selection/Rejection
CNI90 07 01 20	Important Notice Regarding the Expiration of the Terrorism Risk Insurance Act and the Reduction in Coverage for Terrorism Losses
CNI90 11 07 18	Reporting A Commercial Claim 24 Hours A Day
NP 72 42 01 15	Terrorism Insurance Premium Disclosure And Opportunity To Reject
NP 74 44 09 06	U.S. Treasury Department's Office of Foreign Assets Control (OFAC) Advisory Notice to Policyholders
NP 89 69 11 10	Important Policyholder Information Concerning Billing Practices
NP 90 83 11 11	Illinois Notice to Policyholders Regarding the Religious Freedom Protection and Civil Union Act
NP 93 54 07 13	Important Notice to Policyholders - Commercial Protector Coverage
NP 98 20 01 15	Jurisdictional Boiler And Pressure Vessel Inspections
SNI12 01 07 18	Illinois Notice To Policyholders

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

## ILLINOIS UNINSURED MOTORISTS COVERAGE AND UNDERINSURED MOTORISTS COVERAGE SELECTION/REJECTION

COMMERCIAL PROTECTOR POLICY - Hired Auto And Non-Owned Auto Liability  
CUSTOM PROTECTOR POLICY - Hired Auto And Non-Owned Auto Liability

<b>Applicant/Named Insured:</b> SIREN SALON INC
<b>Policy Number:</b> 56350971
<b>Company:</b> Ohio Security Insurance Company

Illinois law permits you to make certain decisions regarding Uninsured Motorists Coverage and Underinsured Motorists Coverage. This document describes these coverages and the option available.

You should read this document carefully and contact us or your agent if you have any questions regarding Uninsured Motorists Coverage and Underinsured Motorists Coverage and your option with respect to these coverages.

This document includes general descriptions of coverage. However, no coverage is provided by this document. You should read your policy and review your Declarations Page(s) and/or Schedule(s) for complete information on the coverages you are provided.

### A. Bodily Injury Uninsured And Underinsured Motorists Coverages

**Bodily Injury Uninsured Motorists Coverage** provides insurance protection to an insured for compensatory damages which the insured is legally entitled to recover from the owner or operator of an uninsured motor vehicle because of bodily injury caused by an automobile accident. Also included are damages due to bodily injury that result from an automobile accident with a hit-and-run vehicle whose owner or operator cannot be identified.

**Bodily Injury Underinsured Motorists Coverage** provides insurance protection to an insured for compensatory damages which the insured is legally entitled to recover from the owner or operator of an underinsured motor vehicle because of bodily injury caused by an automobile accident.

Every liability policy, which includes Hired Auto or NonOwned Auto Coverage, must include Bodily Injury Uninsured Motorists Coverage at limits equal to your limits for Liability Coverage except as described below.

You may select a limit that is lower than your Liability Coverage limits BUT you may not select Bodily Injury Uninsured Motorists Coverage limits less than \$60,000 for each accident.

Underinsured Motorists Coverage will be provided to you equal to your Uninsured Motorists Coverage limits.

Please indicate by initialing below if you are selecting Uninsured Motorists Coverage at limits less than the Bodily Injury liability limits of your policy and initial below to indicate the limits selected.

<p><b>(Initials)</b></p> <p>I reject Bodily Injury Uninsured Motorists Coverage at limits equal to my Bodily Injury Liability Coverage (split limits) or Combined Single Limit for Liability Coverage and _____ select the following lower limit.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; text-align: center; border-bottom: 1px solid black;"> <p><b>(Initials)</b></p> </td> <td style="width: 40%;"></td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;"></td> <td style="text-align: center; vertical-align: top;"> <p><b>Combined Single Limit</b></p> <p><b>\$60,000</b></p> </td> </tr> </table>	<p><b>(Initials)</b></p>			<p><b>Combined Single Limit</b></p> <p><b>\$60,000</b></p>
<p><b>(Initials)</b></p>					
	<p><b>Combined Single Limit</b></p> <p><b>\$60,000</b></p>				

\_\_\_\_\_  
**Applicant's/Named Insured's Signature**

\_\_\_\_\_  
**Date**

# **IMPORTANT NOTICE REGARDING THE EXPIRATION OF THE TERRORISM RISK INSURANCE ACT AND THE REDUCTION IN COVERAGE FOR TERRORISM LOSSES**

## **PLEASE READ THIS NOTICE CAREFULLY**

This is to notify you of a reduction in coverage for terrorism losses under your insurance policy when the Terrorism Risk Insurance Act ("TRIA") expires, which is scheduled to occur on December 31, 2020. This notice does not apply to Workers Compensation insurance.

TRIA, as amended, is a temporary program that spreads losses from government "certified" acts of terrorism between insurers and the federal government. In summary, TRIA requires insurers to make coverage for "certified acts of terrorism" available, and to pay losses from "certified acts of terrorism" up to a deductible amount. If an individual insurer's losses exceed this amount, the government will reimburse the insurer a certain percentage (81% in 2019 and 80% in 2020) of losses paid in excess of the deductible.

Policyholders have the option to accept or reject this coverage.

TRIA will expire on December 31, 2020, unless Congress and the President act to extend it. Otherwise, after 2020, the federal government will no longer "certify" acts of terrorism or reimburse losses caused by "certified acts of terrorism."

**If you purchase coverage** for "certified acts of terrorism," and TRIA expires on or after December 31, 2020, **your insurance coverage will be reduced.** After the date TRIA expires, where permitted by state law\*, your policy will exclude coverage for losses from acts of terrorism that directly or indirectly involve nuclear or radioactive agents or materials, or pathogenic or poisonous biological or chemical agents or materials ("NBCR"). However, your policy will continue to provide coverage for other acts of terrorism (acts of terrorism not involving NBCR), subject to all policy terms and conditions.

**If you elect not to purchase** coverage for "certified acts of terrorism," and TRIA expires on or after December 31, 2020, losses caused by terrorist acts will continue to be excluded from your policy, where and as permitted by state law\*. While this exclusion applies to all NBCR terrorism events, it does not apply to other acts of terrorism until the size of the event exceeds the following thresholds:

- For property policies and related TRIA first party coverages, total event wide insured damages (including business income) exceed \$25,000,000;
- For liability policies and related TRIA casualty coverages, the event involves:
  - Serious injury to 50 or more people; or
  - Total event wide insured property damage (including business income) in excess of \$25,000,000

Please see the policy for full details and other applicable policy terms and conditions.

\* Some states, including New York and Florida, may not approve or allow the use of certain exclusions related to acts of terrorism. Therefore, exclusions for losses caused by acts of terrorism may not apply in all states.

## REPORTING A COMMERCIAL CLAIM 24 HOURS A DAY

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

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

Reporting a new claim has never been easier. A Liberty Mutual customer service representative is available to you 24/7 at 1(844)325-2467 for reporting new property, auto, liability and workers' compensation claims. With contact centers strategically located throughout the country for continuity and accessibility, we're there when we're needed!

### Additional Resource for Workers' Compensation Customers

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

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

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

For all claims inquiries please call us at .



11/04/19

SIREN SALON INC

BZS (21) 56 35 09 71

From 01/10/2020 To 01/10/2021

3143 N LINCOLN AVE  
CHICAGO, IL 60657

(866) 570-5153  
ASSURANCE AGENCY

20 N MARTINGALE RD STE 100  
SCHAUMBURG, IL 60173-2423

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

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

**THE TERRORISM RISK INSURANCE ACT**

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

The Federal Share and Program Trigger by calendar year are:

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

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

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

A "certified act of terrorism" means:

[A]ny act that is certified by the Secretary [of the Treasury], in consultation with the Secretary of Homeland Security, and the Attorney General of the United States.

(i) to be an act of terrorism;

- (ii) to be a violent act or an act that is dangerous to -
  - (I) human life;
  - (II) property; or
  - (III) infrastructure;
- (iii) to have resulted in damage within the United States, or outside of the United States in the case of -
  - (I) an air carrier (as defined in section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States); or
  - (II) the premises of a United States mission; and
- (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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

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

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

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

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

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

Policyholder/Applicant's Signature

Print Name

Date Signed

Named Insured

Policy Number

SIREN SALON INC

BZS (21) 56 35 09 71

Policy Effective/Expiration Date

From 01/10/2020 To 01/10/2021

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

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

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

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

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

NP 74 44 09 06

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

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

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

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

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

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

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

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

## IMPORTANT POLICYHOLDER INFORMATION CONCERNING BILLING PRACTICES

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

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

### Available Premium Payment Plans:

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

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

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

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

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

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

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

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

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

**ILLINOIS NOTICE TO POLICYHOLDERS  
REGARDING THE RELIGIOUS FREEDOM  
PROTECTION AND CIVIL UNION ACT**

Dear Policyholder,

This is to provide notice that, pursuant to Illinois Department of Insurance Company Bulletin 2011-06 (CB 2011-06), this policy is in compliance with the Illinois Religious Freedom Protection and Civil Union Act ("the Act", 750 ILL. COMP. STAT. 75/1). The Act, which became effective on June 1, 2011, creates a legal relationship between two persons of either the same or opposite sex who establish a civil union.

The Act provides that parties to a civil union are entitled to the same legal obligations, responsibilities, protections and benefits that are afforded or recognized by the law of Illinois to spouses, whether they are derived from statute, administrative rule, policy, common law or any source of civil or criminal law. In addition, this law requires recognition of a same-sex civil union, marriage, or other substantially similar legal relationship, except for common law marriage, legally entered into in other jurisdictions. The Act further provides that "party to a civil union" shall be included in any definition or use of the terms "spouse", "family", "immediate family", "dependent", "next of kin" and other terms descriptive of spousal relationships as those terms are used throughout the law. According to CB 2011-06, this includes the terms "marriage" or "married" or any variations thereof. CB 2011-06 also states that if policies of insurance provide coverage for children, the children of civil unions must also be provided coverage.

**IMPORTANT NOTICE TO POLICYHOLDERS -  
COMMERCIAL PROTECTOR COVERAGE  
(BOP 2006 to BOP 2013)**

Dear Valued Policyholder,

Thank you for selecting us as your carrier for your commercial insurance. This notice contains a brief summary of the coverage changes made to your policy.

The changes outlined below are organized by individual endorsements. Please note that not all of the endorsements noted may apply to your specific policy. In addition, this notice does not reference every editorial change made to the endorsement or coverage form, only significant coverage changes.

Please read your policy and review your Declarations page for complete coverage information. No coverage is provided by this notice, nor can it be construed to replace any provisions of your policy. If there are discrepancies between your policy and this notice, the provisions of the policy shall prevail.

Should you have questions after reviewing the changes outlined below, please contact your independent agent. Thank you for your business.

**Coverage Form**

<b>Expiring Form</b>	<b>Expiring Form Number</b>	<b>New Form</b>	<b>New Form Number</b>
Businessowners Coverage Form	BP 00 03 01 06	Businessowners Coverage Form	BP 00 03 07 13

**Section I - Property**

**I. Broadenings Of Coverage**

● **Business Personal Property - Coverage Radius**

The Business Personal Property coverage grant is revised to extend coverage 100 feet from the buildings or structures, or 100 feet from the described premises, whichever distance is greater.

● **Vegetated Roofs**

Property Not Covered is revised to make an exception for lawns, trees, shrubs and plants that are part of a vegetated roof. The Limited Coverage For Fungi, Wet Rot Or Dry Rot Additional Coverage is revised to expressly state that the coverage does not apply to lawns, trees, shrubs or plants that are part of a vegetated roof.

● **Electronic Data In Building Equipment**

Property Not Covered is revised to make an exception for electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system. The Electronic Data and Interruption Of Computer Operations Additional Coverages are revised to reinforce that coverage does not apply to such electronic data, data that is integrated in and operates or controls the building's elevator, lightning, heating, ventilation, air conditioning or security system.

● **Debris Removal**

The Limit of Insurance under the Debris Removal Additional Coverage, is increased from \$10,000 to \$25,000.

Further, coverage for debris removal is expanded to include the expense of removing certain debris that is not Covered Property, however, when no Covered Property sustains direct physical loss or damage, coverage for the removal of debris, is limited to \$5,000.

● **Business Income Additional Coverage - Extended Business Income**

The period of coverage under the Extended Business Income Additional Coverage is increased from 30 to 60 days.

- **Additional Coverages - Civil Authority**

The period of coverage for the Civil Authority Additional Coverage is increased from three weeks to four weeks.

- **Business Income From Dependent Properties Additional Coverage - Secondary Dependent Properties**

Coverage is extended to include secondary dependent properties which are direct suppliers and recipients of the dependent property's materials or services, that are not owned or operated by a dependent property, but do not include any road, bridge, tunnel, waterway, airfield, pipeline, or any other similar area or structure.

- **Coverage Extensions - Outdoor Property**

The Outdoor Property Coverage Extension has been revised to provide an option to increase the applicable limit, but not more than \$1000 for any one tree, shrub or plant.

The Outdoor Property Coverage Extension is also revised to include debris removal expense for trees, shrubs and plants that are the property of others, except trees, shrubs and plants owned by the landlord of an insured tenant.

- **Business Personal Property Temporarily In Portable Storage Units Coverage Extension**

A Coverage Extension for Business Personal Property Temporarily In Portable Storage Units is introduced. Under this Coverage Extension, a 90-day coverage period is provided for Business Personal Property temporarily stored in a portable storage unit located within 100 feet of the described premises, subject to a sub-limit of \$10,000 regardless of the number of storage units.

- **Dishonesty Exclusion**

The Dishonesty Exclusion is revised to distinguish between those who have a role in the insured's business (partners, managers, employees, etc.) and others to whom property may be entrusted (a category that includes tenants and bailees, for example). With respect to the latter category, the exclusion is narrowed to apply only to theft. Further, the exception to the exclusion (which enables coverage for acts of destruction) is revised to extend applicability to authorized representatives.

- **Exclusions - Business Income And Extra Expense**

The exception in the Business Income And Extra Expense Coverage Exclusion with respect to coverage for loss caused by or resulting from suspension, lapse or cancellation of any license, lease or contract directly caused by the suspension of operations has been expanded so that the exception will also apply during the extension of the "period of restoration" in accordance with the terms of that coverage.

- **Property Loss Conditions - Loss Payment - Party Walls**

A provision within The Loss Payment - Property Loss Condition has been introduced that generally addresses exposures associated with party walls and the insureds interest in that party wall.

- **Optional Coverages - Equipment Breakdown Protection Coverage**

The Mechanical Breakdown Optional Coverage has been replaced with Equipment Breakdown Protection Coverage. If Equipment Breakdown replaces Mechanical Breakdown Coverage or is newly added to the policy, this change represents a broadening of coverage.

- **Specified Causes Of Loss Property Definition**

Coverage for water damage under the definition of "specified causes of loss" is expanded to include accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of certain off-premises systems due to wear and tear.



**II. Reductions in Coverage**

- **Property Not Covered Animals**

Property Not Covered has been revised to state that covered property does not include animals unless they are owned by others and being boarded by you, or your stock while inside buildings (however in both instances the covered causes of loss are limited to the "specified causes of loss" or building glass breakage, and then only if the animals are killed or their destruction is made necessary.

- **Limitations**

The limitations regarding loss or damage to the interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust has been extended to apply to personal property in the building or structure.

- **Additional Coverages - Civil Authority**

This coverage now requires that the damaged property triggering the exercise of civil authority be within one mile of the described premises.

- **Newly Acquired Or Constructed Property Coverage Extension**

Under the Newly Acquired Or Constructed Property Coverage Extension, the provision that extends an additional limit of insurance to newly acquired business personal property at the described premises is removed. There is no change to the coverage for newly acquired business personal property at newly acquired locations or at newly constructed or acquired buildings at the described location.

- **Exclusions - Utility Services**

This exclusion now applies to utility failure that originates at the described premises, when such failure involves equipment used to provide utility service supplied by an off- premises provider.

- **Employee Dishonesty Optional Coverage**

An exclusion is introduced to the Employee Dishonesty Optional Coverage to address acts of employees learned of by the insured prior to the policy period.

**III. Other Changes**

- **Business Personal Property**

The Business Personal Property coverage grant is revised to reinforce that business personal property is covered when located in or on the buildings or structures at the described premises.

- **Covered Causes Of Loss - Risk Of Loss**

The term "risk of" is removed from the Covered Causes Of Loss provision.

- **Fire Department Service Charge Additional Coverage**

The Fire Department Service Charge Additional Coverage is revised to specify that the amount of such coverage (\$2,500 or a designated higher limit) applies to each premises described in the Declarations. Further, the language of the coverage provision is revised to state that the designated limit applies regardless of the number of responders or the number or type of services performed.

- **Business Income And Extra Expense Additional Coverages - Coverage Radius**

In part, the coverage criteria for the Business Income and Extra Expense Additional Coverages relate to loss or damage to personal property in the open or in a vehicle within a certain distance from the described premises. The language relating to the coverage radius is revised to achieve more similarity between the radius outlined for insureds who are occupants of the entire premises or those who occupy only a part of the premises, and to use terminology similar to that used in the Business Personal Property coverage grant.



- **Business Income From Dependent Properties Additional Coverage**

The Business Income From Dependent Properties Additional Coverage is revised to provide coverage with respect to secondary dependent properties. Such properties are defined within this Additional Coverage.

Additionally, the definition of dependent property excludes various utility providers; the list of utilities is updated to make reference to wastewater removal services. With respect to Business Income Coverage, loss caused by interruption in utility service is addressed in Endorsement **BP 04 57**. Refer to the item titled Utility Services - Time Element Endorsement **BP 04 57** if that endorsement is part of your policy.

- **Temporary Or Leased Employees**

The Personal Effects Coverage Extension, the Dishonesty Exclusion and the Money And Securities Optional Coverage are revised to reinforce that employees include temporary or leased employees.

- **Ordinance Or Law Exclusion**

The language of the Ordinance Or Law Exclusion, which relates to enforcement of an ordinance or law, is revised to also refer to compliance with an ordinance or law.

Similar references are revised in the Increased Cost Of Construction (ICC) and Business Income From Dependent Properties Additional Coverages, Loss Payment Condition and the Period of Restoration definition. Further, the ICC Additional Coverage is revised to apply to compliance with the minimum standards of an ordinance or law.

- **Earth Movement Exclusion**

The Earth Movement Exclusion now reinforces that it applies to earth movement caused by an act of nature or otherwise caused. In addition, the term earthquake now incorporates tremors and aftershocks.

With respect to coverage for volcanic action (which is a limited exception to the exclusion of volcanic eruption), all such eruptions that occur within any 168-hour period constitute a single occurrence.

- **Exclusions - Virus Or Bacteria**

The Virus Or Bacteria Exclusion has been added to this form and incorporates the function of Exclusion Of Loss Due To Virus Or Bacteria Endorsement **BP 06 01**.

- **Exclusions - Artificially Generated Electrical Current**

The Electrical Apparatus Exclusion has been revised to incorporate various terms that reflect current understandings of technology with regard to power sources and associated systems.

- **Exclusion - Collapse**

The Collapse Exclusion has been revised in conjunction with revisions to reinforce the Collapse Additional Coverage.

- **Exclusions - Product Errors**

An exclusion has been added for loss or damage to any merchandise, goods or other product, caused by or resulting from error or omission in any stage of the development, production or use of the product. But if the error or omission results in a covered cause of loss, the loss or damage attributable to the ensuing covered cause of loss is covered.

- **Limits Of Insurance**

The Limits of Insurance provision has been revised to provide that the amounts of insurance for the Increased Cost Of Construction, Business Income From Dependent Properties, Electronic Data and Interruption Of Computer Operations Additional Coverages apply in addition to the Section I - Property Limits.

- **Building Limit - Automatic Increase**

The Building Limit - Automatic Increase Limit of Insurance has been revised to indicate that the limit will increase by 8% unless a higher or lower annual percentage is shown in the Declarations.

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

The Business Personal Property Limit - Seasonal Increase provision has been revised to indicate that the Limit of Insurance for Business Personal Property will increase by 25% or by a different percentage shown in the Declarations.

- **Deductibles**

The Deductibles provision has been revised to eliminate references to a separate glass deductible. Glass losses will now be subject to the otherwise applicable policy deductible.

- **Loss Payment Property Loss Condition**

The Loss Payment Property Loss Condition is revised to include an illustrative example.

- **Optional Coverages - Equipment Breakdown Protection Coverage**

The Mechanical Breakdown Optional Coverage has been replaced with Equipment Breakdown Protection Coverage. As a result we are withdrawing Equipment Breakdown Protection Endorsement **BP 04 59**. If the Equipment Breakdown Optional Coverage is replacing **BP 04 59**, there is no change in coverage.

## Section II - Liability

### I. Broadenings of Coverage:

- **Liquor Liability Exclusion**

The Liquor Liability Exclusion is revised to provide that, for the purposes of the exclusion, permitting a person to bring alcoholic beverages for consumption on an insured's premises (e.g., a "Bring Your Own"), whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

- **Electronic Data Exclusion**

An exception to the Electronic Data Exclusion is introduced to provide that the exclusion does not apply to liability for damages because of bodily injury.

- **Who Is An Insured**

The Who Is An Insured Provision has been revised to include trusts as insureds.

### II. Reductions in Coverage

- **Liquor Liability Exclusion**

The Liquor Liability Exclusion is revised to state that the Liquor Liability Exclusion applies even if the claims allege the negligence or other wrongdoing in:

- The supervision, hiring, employment, training or monitoring of others; or
- Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

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

### III. Other Changes

- **Business Liability**

A reference to or *any offense* has been added within the insuring agreement for Business Liability with respect to an insurers right to investigate any occurrence and settle any claim or suit that may result.

- **Coverage Extension - Supplementary Payments**

The Coverage Extension Supplementary Payments Provision has been revised to reinforce that coverage is provided for court costs taxed against the insured but that this does not include attorney's fees or attorney expenses taxed against the insured. While this change is considered to be a reinforcement of coverage intent, it may result in a decrease in coverage in jurisdictions where courts have ruled that plaintiff's attorneys' fees or attorneys' expenses taxed against the insured can be levied as a supplementary payment.

- **War Liability Exclusion**

The War Liability Exclusion is editorially revised.

- **Professional Services Exclusion**

The Professional Services Exclusion has been revised to add language noting that the exclusion applies even if the claims allege negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by an insured, if it involved the rendering or failure to render any professional service.

- **Personal And Advertising Injury Exclusion**

The Personal And Advertising Injury Exclusion is revised for consistency with the definition of personal and advertising injury and to reinforce that the exclusion does not apply to injuries arising out of other intellectual property rights involving the use of another's advertising idea in the insured's advertisement.

- **Electronic Data Exclusion**

Under the Electronic Data Exclusion the definition of electronic data has been revised for consistency with the definition of electronic data under Section I - Property of the policy.

- **Recording And Distribution Of Material Or Information In Violation Of Law Exclusion**

The Distribution of Material in Violation of Statutes Exclusion has been revised, in part, to address actions or omissions that violate not only the Fair Credit Reporting Act (FCRA), but also the Fair and Accurate Credit Transactions Act (FACTA) and any federal, state or local statutes. The title of the exclusion has been revised to Recording And Distribution Of Material Or Information In Violation Of Law to reflect the revised provision.

- **Liability And Medical Expense**

The Liability And Medical Expense definition for Mobile Equipment has been editorially revised.

### Section III - Common Policy Conditions

#### I. Other Changes

- **Other Insurance Condition**

The Other Insurance Condition is editorially revised.

### Endorsements

Expiring Form	Expiring Form Number	New Form	New Form Number
Windstorm Or Hail Percentage Deductibles	BP 03 12 01 06	Windstorm Or Hail Percentage Deductibles	BP 03 12 01 10

#### I. Other Changes

- This endorsement has been revised to delete the language pertaining to other causes or events that contribute concurrently or in any sequence and to add language that the endorsement does not imply or afford coverage for any loss or damage that is excluded under the Water Exclusion any other exclusion or the application of a Flood Deductible if this policy or another policy provides flood coverage.

Expiring Form	Expiring Form Number	New Form	New Form Number
Employment-Related Practices Exclusion	BP 04 17 07 02	Employment-Related Practices Exclusion	BP 04 17 01 10

#### I. Reductions in Coverage

- The Employment-related Practices Exclusion has been revised to reinforce that the exclusion applies to an injury-causing event associated with employment, whether it occurs before employment, during employment or after employment of that person, and that coverage does not apply for injury caused by the malicious prosecution of a person.

While these changes are each a reinforcement of coverage intent, they may result in a decrease in coverage in jurisdictions where courts have ruled the exclusion to be inapplicable in employment-related malicious prosecution claims and/or post-employment claims.

Expiring Form	Expiring Form Number	New Form	New Form Number
Amendment - Liquor Liability Exclusion - Exception For Scheduled Premises Or Activities	BP 04 19 01 06	Amendment - Liquor Liability Exclusion - Exception For Scheduled Premises Or Activities	BP 04 19 07 13

#### I. Reductions in Coverage

- The Liquor Liability Exclusion in this endorsement is revised, in part, to indicate that the causing or contributing to the intoxication of any person includes causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises for consumption on your premises.

This endorsement is also revised to indicate that the Liquor Liability Exclusion **will apply** if an insured permits any person to bring any alcoholic beverages on the Named Insured's premises, for consumption on the Named Insured's premises, except for the premises described in the Schedule of the endorsement for consumption on such premises.

#### II. Other Changes

- This endorsement is revised for consistency with revisions made to the Liquor Liability Exclusion in the policy.
- Various editorial revisions with no impact on coverage.

Expiring Form	Expiring Form Number	New Form	New Form Number
Protective Safeguards	BP 04 30 01 06	Protective Safeguards	BP 04 30 07 13

#### I. Other Changes

- This endorsement is revised by the addition of a symbol and description to recognize Automatic Commercial Cooking Exhaust And Extinguishing Systems.
- Various editorial revisions with no impact on coverage.

Expiring Form	Expiring Form Number	New Form	New Form Number
Business Income Changes - Time Period	BP 04 41 01 06	Business Income Changes - Time Period	BP 04 41 07 13

#### I. Broadening of Coverage

- This endorsement is revised to reflect changes made to the Business Income From Dependent Properties Additional Coverage in the Businessowners Coverage Form with respect to secondary dependent properties.
- The period of coverage has been increased from three consecutive weeks to four consecutive weeks.

**II. Other Changes**

- Various editorial revisions with no impact on coverage.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Additional Insured - Owners, Lessees Or Contractors - Scheduled Person Or Organization	BP 04 50 07 13

**I. Other Changes**

- This new Additional Insured Endorsement provides coverage for Owners, lessees of buildings on policies covering contractors, and contractors on policies covering subcontractors, but only for liability for ongoing operations.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Additional Insured - Owners, State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations	BP 04 51 07 13

**I. Other Changes**

- This new Additional Insured Endorsement provides coverage for Owners, lessees or Contractors who have signed a contract or agreement that requires them to be added as additional insureds, but only for liability for ongoing operations.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations	BP 04 52 07 13

**I. Other Changes**

- This new Additional Insured Endorsement provides coverage for certain premises hazards for state or federal governmental organizations issuing permits or authorization to contractors.

Expiring Form	Expiring Form Number	New Form	New Form Number
Utility Services - Direct Damage	BP 04 56 01 06	Utility Services - Direct Damage	BP 04 56 07 13

**I. Other Changes**

- This endorsement is revised to reinforce that transmission lines include all lines that serve in the transmission of power or communication service, including lines that may be identified as distribution lines.
- This endorsement has been revised to remove the qualification that the utility service property be located outside a covered building.
- Various editorial revisions with no impact on coverage.

Expiring Form	Expiring Form Number	New Form	New Form Number
Utility Services - Time Element	BP 04 57 01 06	Utility Services - Time Element	BP 04 57 07 13

**I. Broadening of Coverage**

- This endorsement is revised to provide the means to select a new category of utility service: wastewater removal property. With respect to the coverage provided under this endorsement, wastewater removal property is a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water.

**II. Other Changes**

- This endorsement is revised to reinforce that transmission lines include all lines that serve in the transmission of power or communication service, including lines which may be identified as distribution lines.
- This endorsement has been revised to remove the qualification that the utility service property be located outside a covered building.
- Various editorial revisions with no impact on coverage.

Expiring Form	Expiring Form Number	New Form	New Form Number
Functional Building Valuation	BP 04 84 01 06	Functional Building Valuation	BP 04 84 07 13

**I. Other Changes**

- This endorsement is revised to reflect the revisions made to the Ordinance Or Law Exclusion in the Businessowners Coverage Form.
- Various editorial revisions with no impact on coverage.

Expiring Form	Expiring Form Number	New Form	New Form Number
Computer Fraud And Fund Transfer Fraud	BP 05 47 01 06	Computer Fraud And Fund Transfer Fraud	BP 05 47 07 13

**I. Broadening of Coverage**

- This endorsement has been revised to delete the Limitation regarding the transfer of property on the basis of unauthorized instructions and that the false pretense exclusion does not apply.

**II. Reduction of Coverage**

- An exclusion has been added for loss or damages caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, store valued or other cards or the information contained on such cards.

**III. Other Changes**

- Various editorial revisions with no impact on coverage.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Photography	BP 07 83 07 13

**I. Broadening of Coverage**

- This new endorsement is available for photographer risks.

Expiring Form	Expiring Form Number	New Form	New Form Number
Pharmacists	BP 08 07 01 06	Pharmacists	BP 08 07 07 13

### I. Broadening of Coverage

- This endorsement is revised to include an exception to the Professional Services Exclusion with respect to the administering of vaccinations in accordance with applicable state or federal law.

### II. Other Changes

- Various editorial revisions with no impact on coverage.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Earthquake And Volcanic Eruption (Sub-Limit)	BP 10 11 07 13

### I. Other Changes

- This new endorsement extends coverage against loss by earthquake and volcanic eruption at a limit lower than the limit which applies to other covered perils. The limit of insurance for this coverage is on an annual aggregate basis.

Expiring Form	Expiring Form Number	New Form	New Form Number
Loss Payable Provisions	BP 12 03 01 06	Loss Payable Clauses	BP 12 03 01 10

### I. Broadening of Coverage

- The Loss Payable Provision has been revised to add an option, Building Owner Loss Payable Clause, to identify the building owner and recognize that entity as a loss payee.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Additional Insured - Building Owners	BP 12 31 01 10

### I. Other Changes

- This new endorsement has been introduced to recognize the interest of a building owner, as an additional named insured, under a tenant's policy with respect to property damage under Section I - Property.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Additional Insured - Owners, Lessees Or Contractors - Completed Operations	BP 14 02 07 13

### I. Broadening of Coverage

- This new endorsement provides completed operations coverage for specified additional insured(s) identified in the Schedule of the endorsement.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Windstorm Or Hail Losses To Roof Surfacing - Actual Cash Value Loss Settlement	BP 14 04 07 13



**I. Other Changes**

- This new endorsement changes the Loss Payment Property Loss Condition to provide that loss or damage to roof surfacing caused by windstorm or hail will be settled on an actual cash value basis rather than a replacement cost basis.

Expiring Form	Expiring Form Number	New Form	New Form Number
No Form	Dec entry only	Business Income And Extra Expense - Revised Period of Indemnity	Dec entry only

**I. Broadening of Coverage**

- Additional options of 270 and 360 days has been added.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Debris Removal Additional Insurance	BP 14 09 07 13

**I. Other Changes**

- This new endorsement provides for increasing the Debris Removal limit of insurance.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Limited Exclusion - Personal And Advertising Injury - Lawyers	BP 14 15 07 13

**I. Reduction of Coverage**

- This new endorsement is used to exclude personal and advertising injury arising out of the rendering of or failure to render professional services as a lawyer.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Increased Cost Of Loss And Related Expenses For Green Upgrades	BP 14 75 07 13

**I. Other Changes**

- This new endorsement amends various Section I - Property coverage provisions to address green up-grades to real and personal property, and related expenses.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Communicable Disease Exclusion	BP 14 86 07 13

**I. Reduction of Coverage**

- This new endorsement amends coverage to exclude bodily injury, property damage, and personal and advertising injury arising out of the actual or alleged transmission of a communicable disease.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Additional Insured - Owners, Lessees Or Contractors - With Additional Insured Requirement For Other Parties In Construction Contract	BP 14 87 07 13

#### I. Other Changes

- This new endorsement provides additional insured status to those parties whom the Named Insured is obligated in writing in a contract or agreement to name as an additional insured under their policy.

Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Primary And Noncontributory - Other Insurance Condition	BP 14 88 07 13

#### I. Other Changes

- This new endorsement provides that the coverage made available to an additional insured will be provided on a primary and noncontributory basis.

Expiring Form	Expiring Form Number	New Form	New Form Number
Condominium Association Coverage	BP 17 01 01 06	Condominium Association Coverage	BP 17 01 07 13

#### I. Broadening of Coverage

- This endorsement is revised to provide that coverage extends 100 feet from the building or 100 feet from the described premises, whichever distance is greater.

#### II. Other Changes

- This endorsement is revised such that Business Personal Property is covered when located in or on the buildings or **structures** at the described premises.
- Various editorial revisions with no impact on coverage.

Expiring Form	Expiring Form Number	New Form	New Form Number
Condominium Commercial Unit-Owners Coverage	BP 17 02 01 06	Condominium Commercial Unit-Owners Coverage	BP 17 02 07 13

#### I. Broadening of Coverage

- This endorsement is revised to provide that coverage extends 100 feet from the building or 100 feet from the described premises, whichever distance is greater. Additionally, this endorsement is revised to include leased personal property which the Named Insured has a contractual responsibility to insure as covered Business Personal Property.

#### II. Other Changes

- This endorsement is revised such that Business Personal Property is covered when located in or on the buildings or **structures** at the described premises.
- Various editorial revisions with no impact on coverage.

**OTHER CHANGES**

- The endorsements identified below are being editorially revised to comply with ISO uniformity standards as follows:
- Various editorial revisions with no impact on coverage.
  - **BP 04 04 01 10** - Hired Auto And Non-owned Auto Liability  
 This endorsement has been revised to introduce an Other Insurance provision to generally state that coverage provided by the endorsement is excess over any primary insurance covering the "hired auto" or "non-owned auto".
  - **BP 08 03 07 13** - Optical And Hearing Aid Establishments (Editorially Revised)
  - **BP 12 02 07 13** - Fire Department Service Contract
- The additional insured endorsements identified below are revised to:
  - Add language, in response to growing number of states enacting anti-indemnification laws, to provide that the insurance afforded to an additional insured only applies to the extent permitted by law;
  - Provide that, if coverage provided to the additional insured is required by contract or agreement, the insurance afforded to the additional insured will not be broader than that which the Named Insured is required by the contract or agreement to provide for the additional insured; and
  - Provide that, if coverage provided to the additional insured is required by contract or agreement, the most the insurer will pay on behalf of the additional insured is the amount of insurance required by the contract or agreement or the amount of insured available under the applicable Limits Of Insurance shown in the Declarations, whichever is less. The provision also provides that the endorsement will not increase the applicable Limits Of Insurance shown in the Declarations.
    - **BP 04 02 07 13** - Additional Insured - Managers Or Lessors Of Premises
    - **BP 04 06 07 13** - Additional Insured - Controlling Interest
    - **BP 04 07 07 13** - Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations Relating To Premises
    - **BP 04 09 07 13** - Additional Insured - Mortgagee, Assignee Or Receiver
    - **BP 04 10 07 13** - Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased
    - **BP 04 11 07 13** - Additional Insured - Co-owner Of Insured Premises
    - **BP 04 13 07 13** - Additional Insured - Engineers, Architects Or Surveyors
    - **BP 04 47 07 13** - Additional Insured - Vendors
    - **BP 04 48 07 13** - Additional Insured - Designated Person Or Organization
    - **BP 04 49 07 13** - Additional Insured - Engineers, Architects Or Surveyors Not Engaged By The Named Insured
    - **BP 04 50 07 13** - Additional Insured - Owners, Lessees Or Contractors - Scheduled Person Or Organization
    - **BP 04 51 07 13** - Additional Insured - Owners, Lessees Or Contractors - With Additional Insured Requirement In Construction Contract
    - **BP 04 52 07 13** - Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations
    - **BP 14 02** - Additional Insured - Owners, Lessees Or Contractors - Completed Operations

- The additional insured endorsements identified below are revised to:
  - Allow for any governmental agency or subdivision (federal or state) to be named as an additional insured.
  - To address situations in which a permit may not be issued, but the governmental agency or subdivision authorizes the insured to perform operations
  - The endorsements now reference the issuing of permits or authorization to the insured.
    - **BP 04 07 07 13** - Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations Relating To Premises.
    - **BP 04 52 07 13** - Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations.
- The additional insured endorsements identified below are revised to:
  - Specifically excluding completed operations coverage for an additional insured;
  - Removed the Professional Services Exclusion, as a similar exclusion is already contained in the Businessowners Coverage Form.
    - **BP 04 13 07 13** - Additional Insured - Engineers, Architects Or Surveyors
    - **BP 04 49 07 13** - Additional Insured - Engineers, Architects Or Surveyors Not Engaged By The Named Insured
    - **BP 04 51 07 13** - Additional Insured - Owners, Lessees Or Contractors - With Additional Insured Requirement In Construction Contract
- The endorsements identified below are revised to:
  - The Professional Services Exclusion has been modified to address claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by an insured.
    - **BP 08 03 07 13** - Optical And Hearing Aid Establishments
    - **BP 08 07 07 13** - Pharmacists
    - **BP 14 15 07 13** - Limited Exclusion - Personal And Advertising Injury - Lawyers

## COMPANY FORMS

Only the countrywide versions of endorsements are referenced. State specific versions, where applicable, have been amended in the same manner as the countrywide version unless otherwise specified.

Expiring Form	Expiring Form Number	New Form	New Form Number
Businessowners Property Extension Endorsement	BP 79 19 07 10	Businessowners Property Extension Endorsement	BP 79 19 07 13

### I. Broadening of Coverage

- Theft Of Clients' Property Coverage has been added and includes a limit of \$5,000, unless a higher limit is shown in the Declarations, and a deductible of \$250.

### II. Reductions of Coverage

- Water Back-Up And Sump Overflow language has been added which states that we will not pay when back-up, overflow or discharge is caused directly or indirectly by any flood whether caused by an act of nature or otherwise caused, and is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**III. Other Changes**

- Revision to the paragraph references.
- Duplication of language has been eliminated.
- Debris Removal has been moved to the BP 00 03 Businessowners Coverage Form.
- Ordinance Or Law Coverage has been revised to reflect the revisions made in the Ordinance
- Or Law Exclusion in the Businessowners Coverage Form.
- Water Back-Up And Sump Overflow has revisions to the paragraph referencing and lead in language, and includes clarifying language.

Expiring Form	Expiring Form Number	New Form	New Form Number
Amendment Of Pollution Exclusion (Premises)	BP 79 74 02 08	Amendment Of Pollution Exclusion (Premises)	BP 79 74 07 13

**I. Other Changes**

- Revision to the paragraph referencing.

Expiring Form	Expiring Form Number	New Form	New Form Number
Businessowners Liability Extension Endorsement	BP 79 96 03 11	Businessowners Liability Extension Endorsement	BP 79 96 07 13

**I. Broadening of Coverage**

- The definition of "Bodily Injury" has been revised to include mental anguish.

**II. Other Changes**

- The definition of Insured Contract has been revised to add clarifying language which states that a contract or agreement shall only be considered and "insured contract" to the extent your assumption of the tort liability is permitted by law.

Expiring Form	Expiring Form Number	New Form	New Form Number
Condominium Association Directors And Officers Liability Coverage	BP 80 05 09 10	Condominium Association Directors And Officers Liability Coverage	BP 80 05 07 13

**I. Other Changes**

- Revision to the paragraph references.
- The Punitive Damages Exclusion in **BP 80 05** has been removed, and Amendment - Punitive Damages Exclusion, **BP 81 04**, has been withdrawn. There is no change to the coverage provided.

Expiring Form	Expiring Form Number	New Form	New Form Number
Bookstore Endorsement	BP 80 27 01 07	Bookstore Endorsement	BP 80 27 07 13

**I. Reduction of Coverage**

- The Liquor Liability Exclusion now applies to this coverage.

**II. Other Changes**

- Revision to the paragraph references.

Expiring Form	Expiring Form Number	New Form	New Form Number
Coverage For Pets	BP 80 33 01 07	Coverage For Pets	BP 80 33 07 13

**I. Broadening of Coverage**

- The Property Not Covered has been revised to list the exceptions to the animals not covered.
- Recovery Expense Coverage and Reward Expense Coverage have been revised to include coverage for unauthorized instructions given to transfer the animals to any person or place.

**II. Restrictions of Coverage**

- Flood and surface water language in the Covered Causes Of Loss has been revised in keeping with the water exclusion language in **BP 00 03** Businessowners Coverage Form.

**III. Other Changes**

- Revision to the paragraph references.
- Duplicate language has been eliminated.

Expiring Form	Expiring Form Number	New Form	New Form Number
Goodwill Replacement Valuation Endorsement	BP 80 41 01 07	Goodwill Replacement Valuation Endorsement	BP 80 41 07 13

**I. Broadening of Coverage**

- Coverage for Replacement Cost is no longer limited to items less than two years of age.

**II. Other Changes**

- Revision to the paragraph referencing and lead in language.

Expiring Form	Expiring Form Number	New Form	New Form Number
Medical Office Endorsement	BP 80 56 06 09	Medical Office Endorsement	BP 80 56 07 13

**I. Broadening of Coverage**

- Spoilage Coverage has been increased from \$5,000 to \$10,000.

**II. Other Changes**

- Revision to the paragraph references.

Expiring Form	Expiring Form Number	New Form	New Form Number
Businessowners Property Plus Extension Endorsement	BP 82 42 07 10	Businessowners Property Plus Extension Endorsement	BP 82 42 07 13

**I. Broadening of Coverage**

- Theft Of Clients' Property Coverage has been added and includes a limit of \$5,000, unless a higher limit is shown in the Declarations, and includes a deductible of \$250.

**II. Other Changes**

- Revision to the paragraph references.
- Clarifying language has been added to the Water Back- Up And Sump Overflow.
- Duplication of language has been eliminated.
- Debris Removal has been moved to the BP 00 03 Businessowners Coverage Form.

Expiring Form	Expiring Form Number	New Form	New Form Number
Windstorm Or Hail Exclusion	BP 88 11 06 09	Windstorm Or Hail Exclusion	BP 88 11 07 13

**I. Other Changes**

- Revision to the paragraph referencing and lead in language.
- Windstorm or Hail has been deleted from the "Specified Causes Of Loss" definition.

Expiring Form	Expiring Form Number	New Form	New Form Number
Identity Recovery Coverage For Defined Individuals	BP 88 15 03 12	Identity Theft Administration Service And Expense Coverage	BP 88 77 07 13

**I. Other Changes**

- Title Change and editorial revisions.

Expiring Form	Expiring Form Number	New Form	New Form Number
Businessowners Property Endorsement	BP 88 19 07 10	Businessowners Property Endorsement	BP 88 19 07 13

**I. Broadening of Coverage**

- Theft Of Clients' Property Coverage has been added and includes a limit of \$5,000, unless a higher limit is shown in the Declarations, and includes a deductible of \$250.

**II. Reductions of Coverage**

- Water Back-Up And Sump Overflow language has been added which states that we will not pay when back-up, overflow or discharge is caused directly or indirectly by any flood whether caused by an act of nature or otherwise caused, and is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**III. Other Changes**

- Revision to the paragraph references.
- Duplication of language has been eliminated.
- Debris Removal has been moved to the BP 00 03 Businessowners Coverage Form.
- Ordinance Or Law Coverage has been revised to reflect the revisions made in the Ordinance Or Law Exclusion in the Businessowners Coverage Form.

Expiring Form	Expiring Form Number	New Form	New Form Number
Water Back-Up And Sump Overflow	BP 88 72 01 13	Water Back-Up And Sump Overflow	BP 88 72 07 13

**I. Reduction of Coverage**

- Language has been added which states the we will not pay when back-up, overflow or discharge is caused directly or indirectly by any flood whether caused by an act of nature or otherwise caused, and is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**II. Other Changes**

- Revision to the paragraph references.
- Clarifying language has been added.
- Duplicate language has been eliminated.



Expiring Form	Expiring Form Number	New Form	New Form Number
Not Available		Business Personal Property Limit - Automatic Increase	BP 88 78 07 13

**I. Broadening of Coverage**

- This new coverage provides Business Personal Property - Automatic Increase Limit of Insurance of 2% unless a higher or lower annual percentage is shown in the Declarations.



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## **JURISDICTIONAL BOILER AND PRESSURE VESSEL INSPECTIONS**

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

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

**To request a Jurisdictional Inspection please:**

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

**Or**

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

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

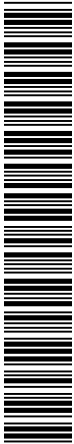
- Current Policy Number
- Location Address
- Contact Name
- Contact Phone Number and/or Email Address

## ILLINOIS NOTICE TO POLICYHOLDERS

To assist in the communication of suggestions, complaints, or comments, Illinois Insurance Code, Section 143C, House Bill 1472 requires that policyholders know the addresses of our customer service department and the consumer division of the department of insurance. These addresses are:

PRESIDENTIAL SERVICE TEAM  
LIBERTY MUTUAL INSURANCE  
175 BERKELEY STREET  
BOSTON MA 02116

ILLINOIS DEPARTMENT OF INSURANCE  
320 W WASHINGTON STREET  
SPRINGFIELD IL 62767





Coverage Is Provided In:

Ohio Security Insurance Company

9450 Seward Road, Fairfield, Ohio 45014

Policy Number:

BZS (21) 56 35 09 71

Policy Period:

From 01/10/2020 To 01/10/2021

12:01 am Standard Time  
at Insured Mailing Location**Commercial Protector Common  
Policy Declarations****Named Insured & Mailing Address**SIREN SALON INC  
3143 N LINCOLN AVE  
CHICAGO, IL 60657**Agent Mailing Address & Phone No.**(866) 570-5153  
ASSURANCE AGENCY  
20 N MARTINGALE RD STE 100  
SCHAUMBURG, IL 60173-2423**Named Insured Is:** CORPORATION**Named Insured Business Is:** HAIR SALON

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

**SUMMARY OF COVERAGE PARTS AND CHARGES**

These Declarations together with the Businessowners Coverage Form (and other applicable forms and endorsements, if any, issued to form a part of them) complete this policy.

**COVERAGE PART****CHARGES****Commercial Protector****\$3,010.00**

*Total Charges for all of the above coverage parts:*  
*Certified Acts of Terrorism Coverage:*

**\$9.00****\$3,010.00**  
**(Included)***Note: This is not a bill***IMPORTANT MESSAGES**

- Equipment Breakdown Enhancement Is Included - See Policy Forms and Endorsements summary

Issue Date 11/04/19

Authorized Representative

**To report a claim, call your Agent or 1-844-325-2467****DS 70 21 01 08**



Coverage Is Provided On:  
Ohio Security Insurance Company

Policy Number:  
**BZS (21) 56 35 09 71**  
Policy Period:  
**From 01/10/2020 To 01/10/2021**  
12:01 am Standard Time  
at Insured Mailing Location

### Common Policy Declarations

**Named Insured**

SIREN SALON INC  
3143 N LINCOLN AVE  
CHICAGO, IL 60657

**Agent**

(866) 570-5153  
ASSURANCE AGENCY  
20 N MARTINGALE RD STE 100  
SCHAUMBURG, IL 60173-2423

**SUMMARY OF LOCATION(S) AND PREMIUM(S)**

0001 3143 N Lincoln Ave, Chicago, IL 60657-3111

**\$2,463.00**

**POLICY FORMS AND ENDORSEMENTS**

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

**FORM NUMBER****TITLE**

BP 00 03 07 13	Businessowners Coverage Form
BP 01 54 01 18	Illinois Changes
BP 04 17 01 10	Employment - Related Practices Exclusion
BP 04 41 07 13	Business Income Changes-Time Period
BP 05 23 01 15	Cap On Losses From Certified Acts Of Terrorism
BP 05 65 01 15	Conditional Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act)
BP 05 77 01 06	Fungi or Bacteria Exclusion (Liability)
BP 06 43 04 06	Illinois Changes - Defense Costs Endorsement
BP 15 04 05 14	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception
BP 79 19 09 16	Businessowners Property Extension Endorsement
BP 79 74 07 13	Amendment of Pollution Exclusion (Premises)

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

Mark Touhey  
Secretary

David Long  
President

To report a claim, call your Agent or 1-844-325-2467  
DS 70 21 11 16



Coverage Is Provided On:  
Ohio Security Insurance Company

Policy Number:  
**BZS (21) 56 35 09 71**  
Policy Period:  
**From 01/10/2020 To 01/10/2021**  
12:01 am Standard Time  
at Insured Mailing Location

**Commercial Protector Common  
Policy Declarations**

**Named Insured**

**Agent**

SIREN SALON INC  
3143 N LINCOLN AVE  
CHICAGO, IL 60657

(866) 570-5153  
ASSURANCE AGENCY  
20 N MARTINGALE RD STE 100  
SCHAUMBURG, IL 60173-2423

**POLICY FORMS AND ENDORSEMENTS - CONTINUED**

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

**FORM NUMBER**

**TITLE**

BP 79 96 09 16	Businessowners Liability Extension Endorsement
BP 80 19 09 10	Illinois - Barber/Styling Salons Professional Liability Endorsement
BP 80 43 01 07	Hired Auto Physical Damage
BP 81 15 03 11	Exclusion - Asbestos
BP 82 37 08 15	Equipment Breakdown Coverage Endorsement
BP 82 46 06 09	Employment - Related Practices Liability Coverage
BP 88 04 03 14	Exclusion - Professional Services (Real Estate Agents, Insurance Agents, Travel Agents, Financial Services, Computer Software, Insurance Operations)
BP 88 77 07 13	Identity Theft Administrative Services and Expense Coverage
BP 88 78 07 13	Business Personal Property Limit - Automatic Increase
BP 88 89 07 13	Hired Auto And Non Owned Auto Liability

**To report a claim, call your Agent or 1-844-325-2467**

**DS 70 21 11 16**



Ohio Security Insurance Company

Policy Number:

**BZS (21) 56 35 09 71**

Policy Period:

**From 01/10/2020 To 01/10/2021**12:01 am Standard Time  
at Insured Mailing Location**Commercial Protector  
Policy Declarations****Named Insured****Agent**

SIREN SALON INC

(866) 570-5153

ASSURANCE AGENCY

**SUMMARY OF LIMITS AND CHARGES**

<b>Businessowners Liability Limits of Insurance</b>	<b>DESCRIPTION</b>	<b>LIMIT</b>
	Liability and Medical Expenses - Occurrence	2,000,000
	Aggregate Limits of Insurance	
	Products-Completed Operations	4,000,000
	Other than Products-Completed Operations	4,000,000
	Broadened Coverage For Damage To Premises Rented To You	2,000,000
	Medical Expenses (Any One Person)	15,000

<b>Explanation of Charges</b>	<b>DESCRIPTION</b>	<b>PREMIUM</b>
	Businessowners Location(s) Total	\$2,463.00
	Businessowners Other Coverage(s) Total	\$538.00
	Certified Acts of Terrorism Coverage	\$9.00

**Total Charges: \$3,010.00***Note: This is not a bill***To report a claim, call your Agent or 1-844-325-2467****DS 70 22 01 08**



Coverage is Provided in  
Ohio Security Insurance Company

Policy Number:

**BZS (21) 56 35 09 71**

Policy Period:

**From 01/10/2020 To 01/10/2021**12:01 am Standard Time  
at Insured Mailing Location**Commercial Protector  
Declarations Schedule****Named Insured****Agent**

SIREN SALON INC

(866) 570-5153

ASSURANCE AGENCY

**SUMMARY OF COVERAGES BY LOCATION**

0001 3143 N Lincoln Ave, Chicago, IL 60657-3111

**Property****Description:****Characteristics****Construction:** Masonry Non-Combustible**Business****Personal****Property Coverage****Occupancy:** Beauty Parlor and Hair Styling Salons**DESCRIPTION**Limit of Insurance\$171,101**Covered Causes of Loss**Special FormDeductible\$1,000Automatic Increase Business Personal Property2%**Premium****\$2,012.00****Barber****and/or****Styling Salon****Professional****Liability****Coverage****DESCRIPTION**

Number of Full-time Beauticians

**16**

Number of Part-time Beauticians

**2**

Number of Manicurists

**2****Total Coverage Premium****\$451.00****To report a claim, call your Agent or 1-844-325-2467****DS 70 23 01 08**



Ohio Security Insurance Company

Policy Number:

**BZS (21) 56 35 09 71**

Policy Period:

**From 01/10/2020 To 01/10/2021**12:01 am Standard Time  
at Insured Mailing Location**Commercial Protector  
Declarations Schedule****Named Insured****Agent**

SIREN SALON INC

(866) 570-5153

ASSURANCE AGENCY

**SUMMARY OF OTHER COVERAGES**

<b>Employee Dishonesty Including Forgery and Alteration</b>	<b>DESCRIPTION</b>	
	Limit of Insurance	<b>\$25,000</b>
	Number of Employees	<b>12</b>
	Deductible	<b>\$500</b>

**Premium Included**

<b>Hired Auto Physical Damage</b>	<b>DESCRIPTION</b>	
	Limit of Insurance	<b>\$35,000</b>

**Premium \$27.00**

<b>Hired and Non-Owned Auto Liability</b>	<b>DESCRIPTION</b>	
	Hired and Non-Owned Liability Coverage Characteristics	<b>See Endorsement</b>

**Premium \$192.00**

<b>Employment Related Practices</b>	<b>DESCRIPTION</b>	
	Aggregate Limit	<b>\$50,000</b>
	Each Claim Limit	<b>\$50,000</b>
	Number of Employees	<b>12</b>
	Retroactive Date	<b>01/10/2014</b>
	Deductible	<b>\$5,000</b>
	Coinsurance	<b>0%</b>

**Premium \$299.00****To report a claim, call your Agent or 1-844-325-2467****DS 70 23 01 08**



Coverage is Provided by  
Ohio Security Insurance Company

Policy Number:

**BZS (21) 56 35 09 71**

Policy Period:

**From 01/10/2020 To 01/10/2021**

12:01 am Standard Time  
at Insured Mailing Location

**Commercial Protector**  
**Declarations Schedule**

**Named Insured**

**Agent**

SIREN SALON INC

(866) 570-5153

ASSURANCE AGENCY

**SUMMARY OF OTHER COVERAGES - continued**

<b>Property Extension Endorsement</b>	<b>DESCRIPTION</b>
	<u>See Endorsement</u>

*Premium* **\$8.00**

<b>Identity Recovery Coverage for Defined Individuals</b>	<b>DESCRIPTION</b>
	<u>See Endorsement</u>

*Premium* **\$12.00**

**Businessowners Location(s) Total** **\$2,463.00**

**Businessowners Other Coverage(s) Total** **\$538.00**

**Businessowners Schedule Total** **\$3,001.00**

**To report a claim, call your Agent or 1-844-325-2467**

**DS 70 23 01 08**

**BUSINESSOWNERS COVERAGE FORM**

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

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

In Section II - Liability, the word "insured" means any person or organization qualifying as such under Paragraph C. Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph H. Property Definitions in Section I - Property and Paragraph F. Liability And Medical Expenses Definitions in Section II - Liability.

**SECTION I - PROPERTY****A. Coverage**

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

**1. Covered Property**

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

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

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;

(5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:

- (a) Fire extinguishing equipment;
- (b) Outdoor furniture;
- (c) Floor coverings; and
- (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(6) If not covered by other insurance:

- (a) Additions under construction, alterations and repairs to the buildings or structures;
- (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

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

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition Paragraph E.5.d.(3)(b);
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;

(4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph 1.b.(2); and

(5) Exterior building glass, if you are a tenant and no Limit Of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

## 2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in the:
  - (1) Money And Securities Optional Coverage; or
  - (2) Employee Dishonesty Optional Coverage;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants which are part of a vegetated roof), all except as provided in the:
  - (1) Outdoor Property Coverage Extension; or
  - (2) Outdoor Signs Optional Coverage;
- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy;

h. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock";

- i. "Electronic data", except as provided under Additional Coverages - Electronic Data. This Paragraph i. does not apply to your "stock" of prepackaged software or to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system; or
- j. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings.

## 3. Covered Causes Of Loss

Direct physical loss unless the loss is excluded or limited under Section I - Property.

## 4. Limitations

- a. We will not pay for loss of or damage to:
  - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

(3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Optional Coverage for Money and Securities.

(4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

(5) The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

(b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

(6) Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:

(a) Dampness or dryness of atmosphere or of soil supporting the vegetation;

(b) Changes in or extremes of temperature;

(c) Disease;

(d) Frost or hail; or

(e) Rain, snow, ice or sleet.

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

(1) Animals, and then only if they are killed or their destruction is made necessary.

(2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:

(a) Glass that is part of the exterior or interior of a building or structure;

(b) Containers of property held for sale; or

(c) Photographic or scientific instrument lenses.

c. For loss or damage by theft, the following types of property are covered only up to the limits shown (unless a higher Limit Of Insurance is shown in the Declarations):

(1) \$2,500 for furs, fur garments and garments trimmed with fur.

(2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.

(3) \$2,500 for patterns, dies, molds and forms.

## 5. Additional Coverages

### a. Debris Removal

(1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

(a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;

- (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
  - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
  - (d) Remove property of others of a type that would not be Covered Property under this policy;
  - (e) Remove deposits of mud or earth from the grounds of the described premises;
  - (f) Extract "pollutants" from land or water; or
  - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
- (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to Paragraph (3)(a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- Therefore, if Paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

## (5) Examples

### Example 1

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

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



**Example 2**

Limit of Insurance \$90,000  
 Amount of Deductible \$ 500  
 Amount of Loss \$80,000  
 Amount of Loss Payable \$79,500  
 (\$80,000-\$500)

Debris Removal Expense \$40,000  
 Debris Removal Expense

Payable

Basic Amount \$10,500  
 Additional Amount \$25,000

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

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

**b. Preservation Of Property**

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

- (1) While it is being moved or while temporarily stored at another location; and

- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500 for service at each premises described in the Declarations, unless a different limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

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

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

**d. Collapse**

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

- (1) For the purpose of this Additional Coverage - Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- (2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:
  - (a) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - (b) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;

- (c) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - (d) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (i) A cause of loss listed in Paragraph (2)(a) or (2)(b);
    - (ii) One or more of the "specified causes of loss";
    - (iii) Breakage of building glass;
    - (iv) Weight of people or personal property; or
    - (v) Weight of rain that collects on a roof.
- (3) This Additional Coverage - Collapse does **not** apply to:
- (a) A building or any part of a building that is in danger of falling down or caving in;
  - (b) A part of a building that is standing, even if it has separated from another part of the building; or
  - (c) A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (4) With respect to the following property:
- (a) Awnings;
  - (b) Gutters and downspouts;
  - (c) Yard fixtures;
  - (d) Outdoor swimming pools;
  - (e) Piers, wharves and docks;
  - (f) Beach or diving platforms or appurtenances;
  - (g) Retaining walls; and
- (h) Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d), we will pay for loss or damage to that property only if such loss or damage is a direct result of the abrupt collapse of a building insured under this policy and the property is Covered Property under this policy.
- (5) If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- (a) The collapse of personal property was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d) of this Additional Coverage;
  - (b) The personal property which collapses is inside a building; and
  - (c) The property which collapses is not of a kind listed in Paragraph (4), regardless of whether that kind of property is considered to be personal property or real property.
- The coverage stated in this Paragraph (5) does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.
- (6) This Additional Coverage - Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (7) This Additional Coverage - Collapse will not increase the Limits of Insurance provided in this policy.

- (8) The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in Paragraphs d.(1) through d.(7).

**e. Water Damage, Other Liquids, Powder Or Molten Material Damage**

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

We will not pay the cost to repair any defect that caused the loss or damage, but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

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

**f. Business Income**

**(1) Business Income**

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

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

- (i) The portion of the building which you rent, lease or occupy;

- (ii) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and

- (iii) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

- (b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.

- (c) Business Income means the:

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

**(d) Ordinary payroll expenses:****(i) Means payroll expenses for all your employees except:**

- i. Officers;
- ii. Executives;
- iii. Department Managers;
- iv. Employees under contract; and
- v. Additional Exemptions shown in the Declarations as:
  - Job Classifications; or
  - Employees.

**(ii) Include:**

- i. Payroll;
- ii. Employee benefits, if directly related to payroll;
- iii. FICA payments you pay;
- iv. Union dues you pay; and
- v. Workers' compensation premiums.

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

- (i) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and**

**(ii) Ends on the earlier of:**

- i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
- ii. 60 consecutive days after the date determined in Paragraph **(a)(i)** above, unless a greater number of consecutive days is shown in the Declarations.

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

**(b) Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.****(3) With respect to the coverage provided in this Additional Coverage, suspension means:**

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

**(4) This Additional Coverage is not subject to the Limits of Insurance of Section I - Property.**

**g. Extra Expense**

- (1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

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

- (a) The portion of the building which you rent, lease or occupy;
  - (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
  - (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.
- (2) Extra Expense means expense incurred:
- (a) To avoid or minimize the suspension of business and to continue "operations":
    - (i) At the described premises; or
    - (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

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

**(c) To:**

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

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

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

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

- (4) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance of Section I - Property.

**h. Pollutant Clean-up And Removal**

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

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



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

**i. Civil Authority**

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

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

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

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

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

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

**j. Money Orders And "Counterfeit Money"**

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

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

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

**k. Forgery Or Alteration**

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

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

**I. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in Paragraphs (3) through (9) of this Additional Coverage.
- (3) The ordinance or law referred to in Paragraph (2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
- (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or

- (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet rot or dry rot.

- (6) The most we will pay under this Additional Coverage, for each described building insured under Section I - Property, is \$10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is \$10,000.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
- (a) We will not pay for the Increased Cost of Construction:
    - (i) Until the property is actually repaired or replaced, at the same or another premises; and
    - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.



- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment Property Loss Condition in Section I - Property do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in Paragraph (6) of this Additional Coverage, is not subject to such limitation.

**m. Business Income From Dependent Properties**

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

However, this Additional Coverage does not apply when the only loss at the premises of a dependent property or secondary dependent property is loss or damage to "electronic data", including destruction or corruption of "electronic data". If the dependent property or secondary dependent property sustains loss or damage to "electronic data" and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

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

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

The dependent property must be located in the coverage territory of this policy.
- (5) Secondary dependent property means an entity which is not owned or operated by a dependent property and which:
  - (a) Delivers materials or services to a dependent property, which in turn are used by the dependent property in providing materials or services to you; or
  - (b) Accepts materials or services from a dependent property, which in turn accepts your materials or services.

A road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure is not a secondary dependent property.

Any property which delivers any of the following services is not a secondary dependent property with respect to such services:

- (i) Water supply services;
- (ii) Wastewater removal services;
- (iii) Communication supply services; or
- (iv) Power supply services.

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

- (6) The coverage period for Business Income under this Additional Coverage:
  - (a) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property or secondary dependent property; and
  - (b) Ends on the date when the property at the premises of the dependent property or secondary dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- (7) The Business Income coverage period, as stated in Paragraph (6), does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:
  - (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
  - (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

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

**n. Glass Expenses**

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

**o. Fire Extinguisher Systems Recharge Expense**

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

**p. Electronic Data**

- (1) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore "electronic data" which has been destroyed or corrupted by a Covered Cause of Loss. To the

extent that "electronic data" is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.

- (2) The Covered Causes of Loss applicable to Business Personal Property include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage - Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is \$10,000, unless a higher Limit Of Insurance is shown in the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

- (4) This Additional Coverage does not apply to your "stock" of prepackaged software, or to "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

**q. Interruption Of Computer Operations**

- (1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a suspension of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to a Covered Cause of Loss.
- (2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
  - (a) Coverage under this Additional Coverage - Interruption Of Computer Operations is limited to the "specified causes of loss" and Collapse.
  - (b) If the Businessowners Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.
  - (c) The Covered Causes of Loss include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including "electronic data")

by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

- (3) The most we will pay under this Additional Coverage - Interruption Of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is \$10,000 unless a higher Limit Of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (4) This Additional Coverage - Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (3) above has not been exhausted.
- (5) Coverage for Business Income does not apply when a suspension of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.

- (6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.

- (7) This Additional Coverage does not apply when loss or damage to "electronic data" involves only "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

**r. Limited Coverage For "Fungi", Wet Rot Or Dry Rot**

- (1) The coverage described in Paragraphs r.(2) and r.(6) only applies when the "fungi", wet rot or dry rot is the result of a "specified cause of loss" other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

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

- (2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
- (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
- (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and

- (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot is present.
- (3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of \$15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.
- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.
- If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

(6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage:

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

## 6. Coverage Extensions

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

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



**a. Newly Acquired Or Constructed Property****(1) Buildings**

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

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

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

**(2) Business Personal Property**

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

- (a) Business Personal Property, including such property that you newly acquire, at any location you acquire; or
- (b) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

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

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

**(3) Period Of Coverage**

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

- (a) This policy expires;

- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as Covered Property; or

- (c) You report values to us.

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

**b. Personal Property Off-premises**

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000.

**c. Outdoor Property**

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

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

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

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

**d. Personal Effects**

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees, including temporary or leased employees. This extension does not apply to:

- (1) Tools or equipment used in your business; or
- (2) Loss or damage by theft.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises.

**e. Valuable Papers And Records**

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.
- (2) This Coverage Extension does not apply to:
  - (a) Property held as samples or for delivery after sale; and
  - (b) Property in storage away from the premises shown in the Declarations.

- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$10,000, unless a higher Limit Of Insurance for "valuable papers and records" is shown in the Declarations.

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

- (4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.
- (5) Paragraph B. Exclusions in Section I - Property does not apply to this Coverage Extension except for:
  - (a) Paragraph B.1.c., Governmental Action;
  - (b) Paragraph B.1.d., Nuclear Hazard;
  - (c) Paragraph B.1.f., War And Military Action;
  - (d) Paragraph B.2.f., Dishonesty;
  - (e) Paragraph B.2.g., False Pretense;
  - (f) Paragraph B.2.m.(2), Errors Or Omissions; and
  - (g) Paragraph B.3.

**f. Accounts Receivable**

- (1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:
  - (a) All amounts due from your customers that you are unable to collect;



(b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

(c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and

(d) Other reasonable expenses that you incur to reestablish your records of accounts receivable;

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

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

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

- (3) Paragraph **B. Exclusions** in Section **I - Property** does not apply to this Coverage Extension except for:

- (a) Paragraph **B.1.c.**, Governmental Action;
- (b) Paragraph **B.1.d.**, Nuclear Hazard;
- (c) Paragraph **B.1.f.**, War And Military Action;
- (d) Paragraph **B.2.f.**, Dishonesty;
- (e) Paragraph **B.2.g.**, False Pretense;
- (f) Paragraph **B.3.**; and
- (g) Paragraph **B.6.**, Accounts Receivable Exclusion.

**g. Business Personal Property Temporarily In Portable Storage Units**

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

(2) The limitation under Paragraph **A.4.a.(5)** also applies to property in a portable storage unit.

(3) Coverage under this Extension:

(a) Will end 90 days after the Business Personal Property has been placed in the storage unit;

(b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the Business Personal Property has been stored there for 90 or fewer days as of the time of loss or damage.

(4) Under this Extension, the most we will pay for the total of all loss or damage to Business Personal Property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units.

(5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form, and does not apply to loss or damage to the storage unit itself.

**B. Exclusions**

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

**a. Ordinance Or Law**

- (1) The enforcement of or compliance with any ordinance or law:
  - (a) Regulating the construction, use or repair of any property; or
  - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance Or Law, applies whether the loss results from:
  - (a) An ordinance or law that is enforced even if the property has not been damaged; or
  - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

**b. Earth Movement**

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

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

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

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

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

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

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

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

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

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

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

**d. Nuclear Hazard**

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

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

**e. Utility Services**

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

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

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

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

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

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

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

**f. War And Military Action**

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

**g. Water**

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

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

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

#### **h. Certain Computer-related Losses**

(1) The failure, malfunction or inadequacy of:

(a) Any of the following, whether belonging to any insured or to others:

(i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;

(ii) "Computer" application software or other "electronic data" as may be described elsewhere in this policy;

(iii) "Computer" operating systems and related software;

(iv) "Computer" networks;

(v) Microprocessors ("computer" chips) not part of any "computer" system; or

(vi) Any other computerized or electronic equipment or components; or

(b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (a) above;

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

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

However, if excluded loss or damage, as described in Paragraph (1) above, results in a "specified cause of loss" under Section I - Property, we will pay only for the loss or damage caused by such "specified cause of loss".

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

#### **i. "Fungi", Wet Rot Or Dry Rot**

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

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

This exclusion does not apply:

(1) When "fungi", wet rot or dry rot results from fire or lightning; or

(2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning.

#### **j. Virus Or Bacteria**

(1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

(2) However, the exclusion in Paragraph (1) does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion i.

(3) With respect to any loss or damage subject to the exclusion in Paragraph (1), such exclusion supersedes any exclusion relating to "pollutants".

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

**a. Electrical Apparatus**

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

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

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

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

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

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

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

**b. Consequential Losses**

Delay, loss of use or loss of market.

**c. Smoke, Vapor, Gas**

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

**d. Steam Apparatus**

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

**e. Frozen Plumbing**

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

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

**f. Dishonesty**

Dishonest or criminal acts (including theft) by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees (including temporary or leased employees), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;

- (2) Does not apply to acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

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

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

**g. False Pretense**

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

**h. Exposed Property**

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

**i. Collapse**

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

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

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

- (2) This Exclusion i. does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage - Collapse; or

- (b) To collapse caused by one or more of the following:

- (i) The "specified causes of loss";
- (ii) Breakage of building glass;
- (iii) Weight of rain that collects on a roof; or
- (iv) Weight of people or personal property.

**j. Pollution**

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

**k. Neglect**

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

**l. Other Types Of Loss**

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.

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



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

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

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

**m. Errors Or Omissions**

Errors or omissions in:

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

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

**n. Installation, Testing, Repair**

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

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

**o. Electrical Disturbance**

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided for under the Additional Coverages of Section I - Property.

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

**p. Continuous Or Repeated Seepage Or Leakage Of Water**

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

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

**a. Weather Conditions**

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

**b. Acts Or Decisions**

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

**c. Negligent Work**

Faulty, inadequate or defective:

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

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

**4. Additional Exclusion**

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

**Loss Or Damage To Products**

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



such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

## **5. Business Income And Extra Expense Exclusions**

a. We will not pay for:

(1) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

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

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

(2) Any other consequential loss.

b. With respect to this exclusion, suspension means:

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

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

## **6. Accounts Receivable Exclusion**

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

We will not pay for:

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

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

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

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

## **C. Limits Of Insurance**

1. The most we will pay for loss or damage in any one occurrence is the applicable Limits Of Insurance of Section I - Property shown in the Declarations.

2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

3. The amounts of insurance applicable to the Coverage Extensions and the following Additional Coverages apply in accordance with the terms of such coverages and are in addition to the Limits of Insurance of Section I - Property:

a. Fire Department Service Charge;

b. Pollutant Clean-up And Removal;

c. Increased Cost Of Construction;

d. Business Income From Dependent Properties;

e. Electronic Data; and

f. Interruption Of Computer Operations.

## **4. Building Limit - Automatic Increase**

a. In accordance with Paragraph C.4.b., the Limit of Insurance for Buildings will automatically increase by 8%, unless a different percentage of annual increase is shown in the Declarations.

b. The amount of increase is calculated as follows:

(1) Multiply the Building limit that applied on the most recent of the policy inception date, the policy anniversary date or any other policy change amending the Building limit by:

(a) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 7% is .07); or

(b) .08, if no percentage of annual increase is shown in the Declarations; and

(2) Multiply the number calculated in accordance with b.(1) by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.

#### Example

If:

The applicable Building limit is \$100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is

$$\$100,000 \times .08 \times 146 / 365 = \$3,200.$$

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

a. Subject to Paragraph 5.b., the Limit of Insurance for Business Personal Property is automatically increased by:

(1) The Business Personal Property - Seasonal Increase percentage shown in the Declarations; or

(2) 25% if no Business Personal Property - Seasonal Increase percentage is shown in the Declarations;

to provide for seasonal variances.

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

(1) The 12 months immediately preceding the date the loss or damage occurs; or

(2) The period of time you have been in business as of the date the loss or damage occurs.

#### D. Deductibles

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

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:

- a. Money and Securities;
- b. Employee Dishonesty;
- c. Outdoor Signs; and
- d. Forgery or Alteration.

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

3. No deductible applies to the following Additional Coverages:

- a. Fire Department Service Charge;
- b. Business Income;
- c. Extra Expense;
- d. Civil Authority; and
- e. Fire Extinguisher Systems Recharge Expense.

#### E. Property Loss Conditions

##### 1. Abandonment

There can be no abandonment of any property to us.

**2. Appraisal**

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

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

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

**3. Duties In The Event Of Loss Or Damage**

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

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

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

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

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

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

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

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

**4. Legal Action Against Us**

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

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date on which the direct physical loss or damage occurred.

**5. Loss Payment**

In the event of loss or damage covered by this policy:

- a. At our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property;
  - (3) Take all or any part of the property at an agreed or appraised value; or

- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph **d.(1)(e)** below.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Except as provided in Paragraphs (2) through (7) below, we will determine the value of Covered Property as follows:
- (1) At replacement cost without deduction for depreciation, subject to the following:
- (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:
- (i) The Limit of Insurance under Section I - Property that applies to the lost or damaged property;
- (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
- i. Of comparable material and quality; and
- ii. Used for the same purpose; or
- (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

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

- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:

- (i) The actual cash value of the lost or damaged property; or
- (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the full replacement cost of the property.

#### **Example**

The full replacement cost of property which suffers a total loss is \$100,000. The property is insured for \$70,000. 80% of the full replacement cost of the property immediately before the loss is \$80,000 ( $\$100,000 \times .80 = \$80,000$ ). A partial loss of \$25,000 is sustained. The amount of recovery is determined as follows:

Amount of recovery  
 $\$70,000 \div \$80,000 = .875$   
 $.875 \times \$25,000 = \$21,875$

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

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

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

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

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

(e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

(2) If the Actual Cash Value - Buildings option applies, as shown in the Declarations, Paragraph **(1)** above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.

(3) The following property at actual cash value:

(a) Used or secondhand merchandise held in storage or for sale;

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

(c) Household contents, except personal property in apartments or rooms furnished by you as landlord;

(d) Manuscripts; and

(e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.

(4) Glass at the cost of replacement with safety glazing material if required by law.

(5) Tenants' improvements and betterments at:

(a) Replacement cost if you make repairs promptly.

(b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

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

- (c) Nothing if others pay for repairs or replacement.
- (6) Applicable only to the Optional Coverages:
  - (a) "Money" at its face value; and
  - (b) "Securities" at their value at the close of business on the day the loss is discovered.
- (7) Applicable only to accounts receivable:
  - (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
    - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (i) The amount of the accounts for which there is no loss or damage;
    - (ii) The amount of the accounts that you are able to reestablish or collect;
    - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and

(iv) All unearned interest and service charges.

- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.



**6. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limits of Insurance of Section I - Property.

**7. Resumption Of Operations**

We will reduce the amount of your:

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

**8. Vacancy****a. Description Of Terms**

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

- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
  - (i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or

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

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

**b. Vacancy Provisions**

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

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

**F. Property General Conditions****1. Control Of Property**

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

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

**2. Mortgageholders**

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.



- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

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

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

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

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

### 3. No Benefit To Bailee

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

### 4. Policy Period, Coverage Territory

Under Section I - Property:

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

### G. Optional Coverages

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

#### 1. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
  - (1) Owned by you; or
  - (2) Owned by others but in your care, custody or control.
- b. Paragraph A.3., Covered Causes Of Loss and Paragraph B., Exclusions in Section I - Property do not apply to this Optional Coverage, except for:
  - (1) Paragraph B.1.c., Governmental Action;
  - (2) Paragraph B.1.d., Nuclear Hazard; and
  - (3) Paragraph B.1.f., War And Military Action.
- c. We will not pay for loss or damage caused by or resulting from:
  - (1) Wear and tear;
  - (2) Hidden or latent defect;
  - (3) Rust;
  - (4) Corrosion; or
  - (5) Mechanical breakdown.

- d. The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance for Outdoor Signs shown in the Declarations.
- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

## 2. Money And Securities

- a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
  - (1) Theft, meaning any act of stealing;
  - (2) Disappearance; or
  - (3) Destruction.
- b. In addition to the Limitations and Exclusions applicable to Section I - Property, we will not pay for loss:
  - (1) Resulting from accounting or arithmetical errors or omissions;
  - (2) Due to the giving or surrendering of property in any exchange or purchase; or
  - (3) Of property contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- c. The most we will pay for loss in any one occurrence is:
  - (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
    - (a) In or on the described premises; or
    - (b) Within a bank or savings institution; and
  - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.
- d. All loss:
  - (1) Caused by one or more persons; or

- (2) Involving a single act or series of related acts;

is considered one occurrence.

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

## 3. Employee Dishonesty

- a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
  - (1) Cause you to sustain loss or damage; and also
  - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
    - (a) Any employee; or
    - (b) Any other person or organization.
- b. We will not pay for loss or damage:
  - (1) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
  - (2) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph a.), "managers" or directors:
    - (a) Whether acting alone or in collusion with other persons; or
    - (b) While performing services for you or otherwise.
  - (3) The only proof of which as to its existence or amount is:
    - (a) An inventory computation; or
    - (b) A profit and loss computation.

(4) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.

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

d. All loss or damage:

(1) Caused by one or more persons; or

(2) Involving a single act or series of acts;

is considered one occurrence.

e. If any loss is covered:

(1) Partly by this insurance; and

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

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

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

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

(1) You; or

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

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

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

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

(1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and

(2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

i. The insurance under Paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:

(1) This Optional Coverage as of its effective date; or

(2) The prior insurance had it remained in effect.

j. With respect to the Employee Dishonesty Optional Coverage in Paragraph G.3., employee means:

(1) Any natural person:

(a) While in your service or for 30 days after termination of service;

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

(a) To substitute for a permanent employee, as defined in Paragraph (1) above, who is on leave; or

(b) To meet seasonal or short-term workload conditions;

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

But employee does not mean:

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

#### 4. Equipment Breakdown Protection Coverage

- a. We will pay for direct loss of or damage to Covered Property caused by or resulting from a mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment.

Mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment does not mean any:

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (3) Damage to any vacuum tube, gas tube, or brush; or

- (4) The functioning of any safety or protective device.

- b. Paragraphs **A.4.a.(1)** and **A.4.a.(2)**, Limitations, do not apply to this Optional Coverage.
- c. With respect to the coverage provided by this Optional Coverage, the following exclusions in Paragraph **B. Exclusions** do not apply:
  - (1) Paragraph **B.2.a.**, Electrical Apparatus;
  - (2) Paragraph **B.2.d.**, Steam Apparatus; and
  - (3) Paragraph **B.2.i.(6)**, Mechanical Breakdown.
- d. With respect to the coverage provided by this Optional Coverage, Paragraph **G.1.c.(5)** of the **Outdoor Signs Optional Coverage** does not apply.
- e. If a dollar deductible is shown in the Declarations for this Optional Coverage, we will first subtract the applicable deductible amount from any loss we would otherwise pay. We will then pay the amount of loss in excess of the applicable deductible up to the applicable limit for this coverage.
 

If no optional deductible is chosen for this Optional Coverage, the Property Deductible shown in the Declarations applies.
- f. With respect to Additional Coverages **5.f. Business Income** and **5.g. Extra Expense**, if the 72-hour time period in the definition of "period of restoration" (hereinafter referred to as time deductible) is amended for this Optional Coverage as shown in the Declarations, we will not pay for any Business Income loss that occurs during the consecutive number of hours shown as the time deductible in the Declarations immediately following a mechanical breakdown or electrical failure. If a time deductible is shown in days, each day shall mean 24 consecutive hours.

With respect to the coverage provided by this Optional Coverage, any time deductible shown in the Declarations for Equipment Breakdown Protection Coverage supersedes any time deductible otherwise applicable to the Business Income coverage provided by this policy.

- g. With respect to the coverage provided by this Optional Coverage, Paragraph **H. Property Definitions** is amended as follows:

1. "Computer" means:

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

"Computer" includes those used to operate production-type machinery or equipment.

- h. Whenever any covered pressure, mechanical or electrical machinery and equipment is found to be in, or exposed to, a dangerous condition, any of our representatives may suspend coverage provided by this Optional Coverage for loss from a mechanical breakdown or electrical failure to that pressure, mechanical or electrical machinery and equipment.

However, coverage provided by this Optional Coverage may be reinstated for loss from a mechanical breakdown or electrical failure to that pressure, mechanical or electrical machinery and equipment if the reasons for the suspension are found by any of our representatives to no longer exist.

We may suspend or reinstate this Optional coverage by mailing or delivering a written notification regarding the suspension or reinstatement to:

- (1) Your last known address; or
- (2) The address where the pressure, mechanical or electrical machinery and equipment is located.

This notification will indicate the effective date of the suspension or reinstatement.

If the coverage provided by this Optional Coverage is not reinstated, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

#### H. Property Definitions

1. "Computer" means:

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

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

2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.
4. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.



5. "Manager" means a person serving in a directorial capacity for a limited liability company.
6. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
7. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Traveler's checks, register checks and money orders held for sale to the public.
8. "Operations" means your business activities occurring at the described premises.
9. "Period of restoration":
  - a. Means the period of time that:
    - (1) Begins:
      - (a) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
      - (b) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
 caused by or resulting from any Covered Cause of Loss at the described premises; and
    - (2) Ends on the earlier of:
      - (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
      - (b) The date when business is resumed at a new permanent location.
  - b. Does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:
    - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
    - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

10. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
11. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:
  - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
12. "Specified causes of loss" means the following:
 

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

  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss of or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

**c. Water damage means:**

(1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam; and

(2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

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

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

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

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

a. Documents;

b. Manuscripts; and

c. Records;

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

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

**SECTION II - LIABILITY****A. Coverages****1. Business Liability**

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

(1) The amount we will pay for damages is limited as described in Paragraph **D. Liability And Medical Expenses Limits Of Insurance** in Section **II - Liability**; and

(2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses.

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

b. This insurance applies:

(1) To "bodily injury" and "property damage" only if:

(a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(b) The "bodily injury" or "property damage" occurs during the policy period; and



- (c) Prior to the policy period, no insured listed under Paragraph **C.1. Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.
- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
  - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- f. **Coverage Extension - Supplementary Payments**
  - (1) We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
    - (a) All expenses we incur.
    - (b) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
    - (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
    - (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
    - (e) All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

- (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

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

- (a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- (b) This insurance applies to such liability assumed by the insured;
- (c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- (d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

- (f) The indemnitee:

- (i) Agrees in writing to:

- i. Cooperate with us in the investigation, settlement or defense of the "suit";
- ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- iii. Notify any other insurer whose coverage is available to the indemnitee; and
- iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

- (ii) Provides us with written authorization to:

- i. Obtain records and other information related to the "suit"; and
- ii. Conduct and control the defense of the indemnitee in such "suit".

- (3) So long as the conditions in Paragraph (2) are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **B.1.b.(2)** Exclusions in Section II - Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

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

## 2. Medical Expenses

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

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

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

- b. We will make these payments regardless of fault. These payments will not exceed the Limits of Insurance of Section II - Liability. We will pay reasonable expenses for:

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

## B. Exclusions

### 1. Applicable To Business Liability Coverage

This insurance does not apply to:

#### a. Expected Or Intended Injury

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

#### b. Contractual Liability

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**c. Liquor Liability**

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

- (a) The supervision, hiring, employment, training or monitoring of others by an insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

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

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

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

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

**e. Employer's Liability**

"Bodily injury" to:

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

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

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

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
  - (i) Any insured; or
  - (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

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

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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

**g. Aircraft, Auto Or Watercraft**

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

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

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 51 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or



(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
- (b) The operation of any of the following machinery or equipment:
  - (i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - (ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

#### **h. Mobile Equipment**

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

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

#### **i. War**

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

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

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

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

#### **j. Professional Services**

"Bodily injury", "property damage" or "personal and advertising injury" caused by the rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services; and
- (9) Services in the practice of pharmacy.



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

**k. Damage To Property**

"Property damage" to:

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

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

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

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

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

**l. Damage To Your Product**

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

**m. Damage To Your Work**

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

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

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

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

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

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

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

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

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

**p. Personal And Advertising Injury**

"Personal and advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- (2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;

- (5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";

- (6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";

- (7) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";

- (8) Committed by an insured whose business is:

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

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under Paragraph **F. Liability And Medical Expenses Definitions.**

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

- (9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;

(10) With respect to any loss, cost or expense arising out of any:

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

(11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;

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

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

(13) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

**q. Electronic Data**

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

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

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

**r. Criminal Acts**

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

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

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

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

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

Exclusions **c., d., e., f., g., h., i., k., l., m., n.** and **o.** in Section II - Liability do not apply to damage by fire to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in Paragraph D. Liability And Medical Expenses Limits of Insurance in Section II - Liability.

## 2. **Applicable To Medical Expenses Coverage**

We will not pay expenses for "bodily injury":

- a. To any insured, except "volunteer workers".
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Business Liability Coverage.

## 3. **Applicable To Both Business Liability Coverage And Medical Expenses Coverage - Nuclear Energy Liability Exclusion**

This insurance does not apply:

- a. Under Business Liability Coverage, to "bodily injury" or "property damage":
  - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
  - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
    - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
    - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:

- (1) The "nuclear material":
  - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
  - (b) Has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

d. As used in this exclusion:

- (1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (2) "Hazardous properties" include radioactive, toxic or explosive properties;
- (3) "Nuclear facility" means:
  - (a) Any "nuclear reactor";
  - (b) Any equipment or device designed or used for:
    - (i) Separating the isotopes of uranium or plutonium;
    - (ii) Processing or utilizing "spent fuel"; or
    - (iii) Handling, processing or packaging "waste";

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

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

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

- (4) "Nuclear material" means "source material", "special nuclear material" or "by-product material";
- (5) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- (6) "Property damage" includes all forms of radioactive contamination of property;
- (7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

**(10)** "Waste" means any waste material:

- (a)** Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
- (b)** Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs **(a)** and **(b)** of the definition of "nuclear facility".

### C. Who Is An Insured

1. If you are designated in the Declarations as:

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

2. Each of the following is also an insured:

- a.** Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

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

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph **(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(a)** or **(b)**; or
- (d)** Arising out of his or her providing or failing to provide professional health care services.

**(2)** "Property damage" to property:

- (a)** Owned, occupied or used by;
- (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;



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

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
  - (1) With respect to liability arising out of the maintenance or use of that property; and
  - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

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

#### **D. Liability And Medical Expenses Limits Of Insurance**

1. The Limits of Insurance of Section II - Liability shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The most we will pay for the sum of all damages because of all:
  - a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and
  - b. "Personal and advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

3. The most we will pay under Business Liability Coverage for damages because of "property damage" to a premises while rented to you or in the case of fire while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the highest Damage To Premises Rented To You limit shown in the Declarations.

#### **4. Aggregate Limits**

The most we will pay for:

- a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit.
- b. All:
  - (1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
  - (2) Plus medical expenses;
  - (3) Plus all "personal and advertising injury" caused by offenses committed;
 is twice the Liability and Medical Expenses limit.

Subject to Paragraph a. or b. above, whichever applies, the Damage To Premises Rented To You limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner.

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



**E. Liability And Medical Expenses General Conditions****1. Bankruptcy**

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

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

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

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

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

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

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

c. You and any other involved insured must:

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

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

**3. Legal Action Against Us**

No person or organization has a right under this policy:

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

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

**4. Separation Of Insureds**

Except with respect to the Limits of Insurance of Section II - Liability, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

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

**F. Liability And Medical Expenses Definitions**

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

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

## 2. "Auto" means:

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

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

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

## 4. "Coverage territory" means:

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

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

## 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

## 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

## 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

## 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
- (2) Your fulfilling the terms of the contract or agreement.

## 9. "Insured contract" means:

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

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

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection or engineering services.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
11. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

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

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

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

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

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

**17. "Property damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

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

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

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

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

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

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

**21. "Your product":**

**a. Means:**

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

**b. Includes:**

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

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

**22. "Your work":**

**a. Means:**

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

**b. Includes:**

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



**SECTION III - COMMON POLICY CONDITIONS  
(APPLICABLE TO SECTION I - PROPERTY AND  
SECTION II - LIABILITY)**

**A. Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. Five days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:
    - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
      - (a) Seasonal unoccupancy; or
      - (b) Buildings in the course of construction, renovation or addition.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
    - (2) After damage by a Covered Cause of Loss, permanent repairs to the building:
      - (a) Have not started; and
      - (b) Have not been contracted for;

within 30 days of initial payment of loss.
    - (3) The building has:
      - (a) An outstanding order to vacate;
      - (b) An outstanding demolition order; or
      - (c) Been declared unsafe by governmental authority.
    - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

**(5) Failure to:**

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
  - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
  - c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
  4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
  5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
  6. If notice is mailed, proof of mailing will be sufficient proof of notice.

**B. Changes**

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

**C. Concealment, Misrepresentation Or Fraud**

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

1. This policy;

2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

#### **D. Examination Of Your Books And Records**

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

#### **E. Inspections And Surveys**

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe and healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

#### **F. Insurance Under Two Or More Coverages**

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

#### **G. Liberalization**

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

#### **H. Other Insurance**

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of Section I - Property.
2. Business Liability Coverage is excess over:
  - a. Any other insurance that insures for direct physical loss or damage; or
  - b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

#### **I. Premiums**

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
  - a. Paid to us prior to the anniversary date; and
  - b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.



4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

#### J. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

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

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

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

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

#### L. Transfer Of Your Rights And Duties Under This Policy

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

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

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

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM  
INFORMATION SECURITY PROTECTION ENDORSEMENT**

**A. The following is added to the Businessowners Coverage Form:**

**1. If this Policy covers the following in a. and b., then Paragraphs 2. and 3. apply:**

- a. Real property used principally for residential purposes up to and including a four family dwelling; or**
- b. Household or personal property that is usual or incidental to the occupancy of any premises used for residential purposes.**

**2. The second paragraph of Paragraph E.2. Appraisal Property Loss Condition in Section I - Property is replaced by the following:**

- a. Each party will pay its own appraiser and bear the other expenses of the appraisal and umpire equally, except as provided in b. below.**
- b. We will pay your appraiser's fee and the umpire's appraisal fee, if the following conditions exist:**
  - (1) You demanded the appraisal; and**
  - (2) The full amount of loss, as set by your appraiser, is agreed to by our appraiser or by the umpire.**

**3. Paragraph C. Concealment, Misrepresentation Or Fraud in Section III - Common 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 insurance, 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 C.1. above, we may cancel this Policy in accordance with the terms of Paragraph A. Cancellation in Section III - Common Policy Conditions.**

**B. Section I - Property is amended as follows:**

**1. Paragraph B.2.a. Electrical Apparatus is replaced by the following:**

**a. Electrical Apparatus**

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

We will pay for loss or damage to "computer(s)" due to artificially generated electrical current if such loss or damage is caused by or results from:

- (1) An occurrence that took place within 100 feet of the described premises; or
- (2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.
2. The following exclusion is added to Paragraph **B.2. Exclusions**:
- a. We will not pay for loss or damage arising out of any act committed:
- (1) By or at the direction of any insured; and
- (2) With the intent to cause a loss.
- b. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:
- (1) The loss arose out of a pattern of criminal domestic violence; and
- (2) The perpetrator of the loss is criminally prosecuted for the act causing the loss.
- c. If we pay a claim pursuant to Paragraph **B.2.b.**, our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.
3. The following is added to Paragraph **E.4. Legal Action Against Us** Property Loss Condition:
- The two-year period for legal action against us is extended by the number of days between the date the proof of loss is filed with us and the date we deny the claim in whole or in part.

**C. Section II - Liability** is amended as follows:

The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under Illinois law.

**D. Section III - Common Policy Conditions** is amended as follows:

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

**A. Cancellation**

1. The first Named Insured shown in the Declarations may cancel this Policy by mailing to us advance written notice of cancellation.
2. If this Policy has been in effect for 60 days or less, except as provided in Paragraphs **8.** and **9.** below, we may cancel this Policy by mailing written notice of cancellation at least:
- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. If this Policy has been in effect for more than 60 days, except as provided in Paragraphs **8.** and **9.** below, we may cancel this Policy only for one or more of the following reasons:
- a. Nonpayment of premium;
- b. The Policy was obtained through a material misrepresentation;
- c. You have violated any of the terms and conditions of the Policy;
- d. The risk originally accepted has measurably increased;
- e. Certification to the Director of Insurance of the loss of reinsurance by the insurer which provided coverage to us for all or a substantial part of the underlying risk insured; or

- f. A determination by the Director of Insurance that the continuation of the Policy could place us in violation of the insurance laws of this State.

If we cancel this Policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 60 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

4. We will mail our notice to you, together with our reason for cancellation, at your last mailing address known to us. Proof of mailing will be sufficient proof of notice.
5. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known, and to the mortgagee or lienholder listed on the Policy.
6. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
7. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

**8. Real Property Other Than Residential Properties Occupied By Four Families Or Less**

The following applies only if this Policy covers real property other than residential property occupied by four families or less:

If any one or more of the following conditions exists at any building that is Covered Property in this Policy, we may cancel this Policy by mailing to you written notice of cancellation, by both certified and regular mail, if:

- a. After a fire loss, permanent repairs to the building have not started within 60 days of satisfactory adjustment of loss, unless the delay is due to a labor dispute or weather conditions.
- b. The building has been unoccupied 60 or more consecutive days. This does not apply to:
  - (1) Seasonal unoccupancy; or
  - (2) Buildings under repair, construction or reconstruction, if properly secured against unauthorized entry.
- c. The building has:
  - (1) An outstanding order to vacate;
  - (2) An outstanding demolition order; or
  - (3) Been declared unsafe in accordance with the law.
- d. Heat, water, sewer service or public lighting have not been connected to the building for 30 consecutive days or more.

The Policy will terminate 10 days following receipt of the written notice by the Named Insured(s).

**9. Residential Properties Occupied By Four Families Or Less**

The following applies if this Policy covers residential properties occupied by four families or less:

If this Policy has been in effect for 60 days, or if this is a renewal policy, we may only cancel this Policy for one or more of the following reasons:

- a. Nonpayment of premium;
- b. The Policy was obtained by misrepresentation or fraud; or
- c. Any act that measurably increases the risk originally accepted.

If we cancel this Policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 30 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

2. Paragraph **H.1. Other Insurance** is replaced by the following:

**H. Other Insurance**

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

3. The following paragraph is added to the **Common Policy Conditions**:

**M. Nonrenewal**

1. If we decide not to renew or continue this Policy, we will mail you written notice, stating the reason for nonrenewal. Proof of mailing will be sufficient proof of notice.
2. Except as provided in Paragraph 6. below, we will mail you notice of nonrenewal at least 60 days before the end of the policy period.

3. If we offer to renew or continue and you do not accept, this Policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

4. If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this Policy will end on the effective date of that insurance.

5. The following provision applies to policies other than those described in Paragraph 6.:

Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known, and the mortgagee or lienholder listed on the Policy.

6. The following provision applies only if this Policy covers residential properties occupied by four families or less:

- a. If this Policy has been issued to you and in effect with us for five or more years, we may not fail to renew this Policy unless:

- (1) The Policy was obtained by misrepresentation or fraud and we mail you notice of nonrenewal at least 30 days before the end of the policy period as provided in 1. above;
- (2) The risk originally accepted has measurably increased and we mail you notice of nonrenewal at least 30 days before the end of the policy period as provided in 1. above; or
- (3) You received 60 days' notice of our intent not to renew as provided in 1. above.

- b. If this Policy has been issued to you and in effect with us for less than five years, we may not fail to renew this Policy unless you received 30 days' notice as provided in 1. above.
  - c. Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known, and to the last known mortgagee or lienholder.
  - d. The nonrenewal shall not become effective until at least 30 days from the proof of mailing date of the notice to you.
- E. The following changes apply only to Information Security Protection Endorsement **BP 15 07** if it is attached to this Policy:
  - 1. Paragraph **(2)** of Insuring Agreement **d. Security Breach Liability** is replaced by the following:
    - (2)** We will pay for "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under Paragraph **d.(1)**.
  - 2. The following is added to the **Defense And Settlement** Provision under Paragraph **E.:**
  - 3. If we initially defend an insured or pay for an insured's defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.
 

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify you in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.
- 3. The following is added to Exclusion **m.** under Paragraph **I.:**

However, Paragraphs **(1), (2)** and **(3)** shall not apply to loss resulting from a "hostile fire" if, and to the extent, loss resulting from any "claim" is based upon, attributable to or arising out of heat, smoke or fumes.
- 4. Paragraph **2. Supplemental Extended Reporting Period** under Paragraph **N. Extended Reporting Periods** is replaced by the following:
  - 2. Supplemental Extended Reporting Period**
    - a. You will have the right to purchase a Supplemental Extended Reporting Period from us if:
      - (1)** This Endorsement is cancelled or nonrenewed for any reason; or
      - (2)** We renew or replace this Endorsement with insurance that:
        - (a)** Has a Retroactive Date later than the date shown in the Schedule of this Endorsement for either Insuring Agreement **d. Security Breach Liability** or **g. Web Site Publishing Liability**. However, the Supplemental Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement has a Retroactive Date later than the date shown in the Schedule of this Endorsement; or



(b) Does not apply to "wrongful acts" on a claims-made basis for either Insuring Agreement **d.** Security Breach Liability or **g.** Web Site Publishing Liability. However, the Supplemental Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement does not apply to "wrongful acts" on a claims-made basis.

**b.** A Supplemental Extended Reporting Period, as specified in Paragraph **a.**, lasts one year and is available only for an additional premium.

**c.** The Supplemental Extended Reporting Period starts with the end of the Basic Extended Reporting Period set forth in Paragraph **1.** It does not extend the "policy period" or change the scope of the coverage provided. It applies only to "claims" to which the following applies:

- (1) The "claim" is first made and reported to us during the Supplemental Extended Reporting Period; and
- (2) The "claim" arose out of either a "wrongful act" or the first of a series of "interrelated wrongful acts" which occurred on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".

**d.** You must give us a written request for the Supplemental Extended Reporting Period within 30 days after the end of the "policy period" or the effective date of cancellation, whichever comes first.

**e.** The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium in full within 30 days of tendering your request for the Supplemental Extended Reporting Period to us. Once in effect, the Supplemental Extended Reporting Period may not be cancelled.

**f.** We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- (1) The exposures insured;
- (2) Previous types and amounts of insurance;
- (3) Limit of Insurance available under this Endorsement for future payment of damages; and
- (4) Other related factors.

The additional premium may not exceed 200% of the annual premium for this Endorsement. The premium for the Supplemental Extended Reporting Period will be deemed fully earned as of the date it is purchased.

**5.** Paragraph **H. Other Insurance** under Paragraph **O.** is replaced by the following:

**H. Other Insurance**

If any "loss" resulting from any "claim" is insured by any other valid policy, we shall not be liable under this Endorsement for a greater proportion of such "loss" than the Information Security Protection Aggregate Limit Of Insurance stated in the Schedule bears to the total applicable limit of liability of all valid and collectible insurance against such "loss", unless such other insurance is purchased specifically to apply in excess of the Information Security Protection Aggregate Limit Of Insurance stated in the Schedule of this Endorsement.

6. The definition of "defense expenses" in Paragraph V. is replaced by the following:
  5. "Defense expenses" means payments allocated to a specific "claim" we investigate, settle or defend, for its investigation, settlement or defense, including:
    - a. Fees and salaries of attorneys and paralegals we retain.
    - b. Fees of attorneys an insured retains when, by our mutual agreement or court order (or when required by administrative hearing or proceeding), an insured is given the right to retain defense counsel to defend against a "claim".
    - c. All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired either by us or by the defense attorney retained by an insured.
    - d. Reasonable expenses incurred by an insured at our request to assist us in the investigation or defense of the "claim", including actual loss of earnings up to \$250 a day because of time off from work.

- e. Costs taxed against an insured in the "suit".

"Defense expenses" does not include salaries and expenses of our "employees" or an insured's "employees" (other than those described in Paragraph d. above).

7. Paragraph d. of the definition of "loss" in Paragraph V. is replaced by the following:
  - d. With respect to Insuring Agreements d. Security Breach Liability and g. Web Site Publishing Liability:  
Compensatory damages, settlement amounts and costs awarded pursuant to judgments or settlements.  
"Loss" does not include:
    - (1) Civil or criminal fines or penalties imposed by law;
    - (2) Punitive or exemplary damages;
    - (3) The multiplied portion of multiplied damages;
    - (4) Taxes;
    - (5) Royalties;
    - (6) The amount of any disgorged profits; or
    - (7) Matters that are uninsurable pursuant to law.

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

## **EMPLOYMENT - RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

The following exclusion is added to Paragraph **B.1. Exclusions - Applicable To Business Liability Coverage in Section II - Liability:**

This insurance does not apply to "bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b) or (c) above is directed.

This exclusion applies:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## BUSINESS INCOME CHANGES - TIME PERIOD

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

**Section I - Property** is amended as follows:

- A. Paragraph A.5.i. Civil Authority** Additional Coverage is amended by deleting the second and third paragraphs and replacing them with the following:

This coverage will apply for a period of up to four consecutive weeks from the date of that action.

- B. Paragraph (a) under Paragraph A.5.m.(6) Business Income From Dependent Properties** Additional Coverage is replaced by the following:

- (a) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises of the dependent property or secondary dependent property; and

- C. Paragraph H.9.a.(1)(a)** of the "period of restoration" definition is replaced by the following:

- (a) Immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; or

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

#### A. CAP ON CERTIFIED TERRORISM LOSSES

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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

- B. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

POLICY NUMBER:

BUSINESSOWNERS  
BP 05 65 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONDITIONAL EXCLUSION OF TERRORISM INVOLVING  
NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM  
(RELATING TO DISPOSITION OF FEDERAL TERRORISM  
RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

The <b>Exception Covering Certain Fire Losses</b> (Paragraph <b>B.2.</b> ) applies to property located in the following state(s):				
<b>State(s)</b>				
California Georgia Iowa	Illinois Maine Missouri	North Carolina New Jersey New York	Oregon Rhode Island Washington	Wisconsin West Virginia
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.				

A. **Section I - Property** and **Section II - Liability**  
are amended as follows:**1. Applicability Of The Provisions Of This  
Endorsement**

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

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

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

- (a) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
- (b) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or



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

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

- (1) **Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or injury or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and**
- (2) **Remain applicable unless we notify you of changes in these provisions, in response to federal law.**

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

**2. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.**

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

- a. That involve the following or preparation for the following:**
  - (1) **Use or threat of force or violence; or**
  - (2) **Commission or threat of a dangerous act; or**
  - (3) **Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and**

**b. When one or both of the following applies:**

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

**B. Section I - Property is amended as follows:**

**1. The following exclusion is added:**

**EXCLUSION OF TERRORISM**

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

- a. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or**
- b. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or**
- c. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or**
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.**

**2. Exception Covering Certain Fire Losses**

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverages or endorsements that apply to those coverages.

**3. Application Of Other Exclusions**

When the Exclusion Of Terrorism applies in accordance with the terms of Paragraph 1.a. or 1.b., such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form.

**C. Section II - Liability** is amended as follows:

1. The following definition is added and applies under this endorsement wherever the phrase any injury or damage is enclosed in quotation marks:

"Any injury or damage" means any injury or damage covered under this Coverage Form or any applicable endorsement, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined under this Coverage Form.

2. The following exclusion is added:

**EXCLUSION OF TERRORISM**

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

- a. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- c. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

**D. The following provision is added to Section I - Property and Section II - Liability:**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## FUNGI OR BACTERIA EXCLUSION (LIABILITY)

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

The following provisions are added to **Section II - Liability**:

A. The following exclusion is added to Paragraph **B.1., Exclusions - Applicable To Business Liability Coverage**:

t. **Fungi or Bacteria**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

- (2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

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

B. The following definition is added to Paragraph **F. Liability And Medical Expenses Definitions**:

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

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

## **ILLINOIS CHANGES - DEFENSE COSTS**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

The following is added to **Section II - Liability**  
Paragraph **A. Coverages**:

If we initially defend an insured or pay for an insured's defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify you in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

**A. Exclusion B.1.q. of Section II - Liability** is replaced by the following:

This insurance does not apply to:

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

- (1) Damages, other than damages because of "personal and advertising injury", arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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

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

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data

processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

**B. The following is added to Paragraph B.1.p. Personal And Advertising Injury Exclusion of Section II - Liability:**

This insurance does not apply to:

**p. Personal And Advertising Injury**

"Personal and advertising injury":

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

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

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

## **BUSINESSOWNERS PROPERTY EXTENSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

Below is a summarization of the coverages provided by this endorsement. No coverages are given by this summary. Actual coverage descriptions are within this endorsement.

<b><u>SECTION</u></b>	<b><u>SUBJECT</u></b>	<b><u>LIMITS OF INSURANCE OR CHANGE IN CONDITION</u></b>
<b>A.</b>	<b>Business Personal Property</b>	Legal Liability requirement deleted
	Undamaged Tenants Improvements	Extended to 1,000 feet of premises
	And Betterments	Covered as Business Personal Property
	Leased Building Property	Loss Payment Valuation
		\$ 5,000
<b>B.</b>	<b>Property Not Covered</b>	Stained Glass
<b>C.</b>	<b>Limitations</b>	
	Fragile Articles Limitation	\$ 5,000 All Covered Causes of Loss
<b>D.</b>	<b>Additional Coverages broadened:</b>	
	Preservation Of Property	60 days
	Fire Department Service Charge	\$ 15,000
	Business Income - Ordinary Payroll Expense	
	Business Income - Newly Acquired Locations	\$ 250,000 at each Newly Acquired Premises / 60 days
	Money Orders And Counterfeit Money	\$ 10,000
	Forgery Or Alteration	Same as Employee Dishonesty limit
	Increased Cost Of Construction	
	Business Income From Dependent Property	\$ 50,000 or 30 days Actual Loss Sustained
	Glass Expenses	
	Fire Extinguisher Systems Recharge Expense	\$ 15,000
	Electronic Data	\$ 25,000
<b>E.</b>	<b>Additional Coverages added:</b>	
	Computer Equipment	\$ 25,000
	Employee Dishonesty	\$ 25,000
	Employee Tools	\$ 25,000
	Money And Securities	\$ 10,000 on premises / \$5,000 off- premises
	Off-premises Power Failure	\$ 25,000 / 24 hours
	Ordinance Or Law	Included - Coverage 1 - Loss to the Undamaged Property \$ 150,000 Coverage 2 - Demolition Cost Coverage Coverage 3 - Increased Cost of Construction Coverage
	Outdoor Signs	\$ 25,000
	Reward	\$ 10,000



**F. Coverage Extensions broadened:**

Newly Acquired Or Constructed Property	
Building	\$1,000,000 up to 180 days
Business Personal Property	\$ 500,000 up to 180 days
Personal Property Off-premises	\$ 25,000
Outdoor Property	All Covered Causes Of Loss
Fences, retaining walls, radio and television antennas, trees and shrubs	\$ 25,000 aggregate
Personal Effects	\$ 15,000
Valuable Papers And Records	\$ 25,000 on premises / \$10,000 off-premises
Accounts Receivable	\$ 35,000 on premises / \$5,000 off-premises

**G. Coverage Extensions added:**

Cellular Phones - Coverage	\$ 1,000
Fine Arts	\$ 10,000
Lock Replacement	Actual Loss Sustained
Loss Adjustment Expenses	\$ 5,000
Water Back-up And Sump Overflow	\$ 25,000

**H. Limits Of Insurance**

Coverages in addition to Limits of Insurance	
Business Personal Property Limit - Seasonal Increase	33%

**I. Deductible**

No more than \$500 deductible	
No deductible	
Deductible - Cellular Phones	\$ 50

**J. Property Loss Conditions**

Amendment Loss Payment Provision	
Brand And Labels	Included in Business Personal Property Limit
Consequential Loss To Stock	Included in Business Personal Property Limit

**K. Property Definitions**

Period of Restoration	
Fine Arts	

**Section I - Property** is amended as follows:

**A. Paragraph A.1.b. Business Personal Property** is replaced by the following:

- b.** Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 1,000 feet of the described premises, including:
  - (1)** Property you own that is used in your business;
  - (2)** Property of others that is in your care, custody or control, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;  
Property of others coverage does not apply to Employee Tools except as provided under Section E. of this endorsement.
  - (3)** Tenants improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
    - (a)** Made a part of the building or structure you occupy but do not own; and
    - (b)** You acquire or made at your expense but cannot legally remove;
  - (4)** Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph 1.b.(2); and
  - (5)** Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.
  - (6)** Undamaged tenants improvements and betterments.
    - (a)** Improvements and betterments coverage includes the portion of improvements and betterments not damaged in a covered loss.
    - (b)** We will pay for the portion of undamaged tenants improvements and betterments only if a minimum of six months is required to repair or rebuild the building for your occupancy, and only when your lease is cancelled:
      - (i)** By the lessor;
      - (ii)** By a valid condition of your lease; and
      - (iii)** Due to direct physical loss or damage by a Covered Cause of Loss to property at the premises stated in the Declarations.
  - (7)** Leased Building Property, including but not limited to, building or doors, at a premises where you are a tenant and are liable for such damage, unless coverage is otherwise provided for above in Paragraph A.1.a. **Covered Property - Buildings**. The most we will pay for loss or damage by a Covered Cause of Loss under this provision as respects leased Building Property is \$5,000 in any one occurrence. This provision does not apply to exterior glass and semi-exterior glass (glass which is on the exterior of the insured premises, but which is interior to an enclosed structure, i.e., an enclosed shopping mall), including all lettering and ornamentation.

**B. The following is added to Section A.2. Property Not Covered:**

Stained Glass except as provided under Paragraph G.2. **Fine Arts** of this endorsement.

**C. Paragraph A.4.b.(2) Limitations - Fragile articles** is replaced by the following:

- (2)** We will not pay more than \$5,000 for loss or damage to fragile articles such as glassware, statuary, marbles, chinaware and porcelain, if broken, unless caused by a Covered Cause of Loss or building glass breakage. This restriction does not apply to:
  - (a)** Glass that is part of the exterior or interior of a building or structure;
  - (b)** Containers of property while held for sale;
  - (c)** Photographic or scientific instrument lenses; or
  - (d)** Fine Arts Coverage Extension.

**D. Section A.5. Additional Coverages** is modified as follows:

- 1.** The 30 day limit shown in Paragraph A.5.b.(2) **Preservation of Property** is replaced by a 60 day limit.
- 2.** The \$2,500 limit shown in Paragraph A.5.c. **Fire Department Service Charge** is replaced by a \$15,000 limit.
- 3.** The 60 day limitation for ordinary payroll expense shown in Paragraph A.5.f.(1)(b) **Business Income** does not apply.

4. The following is added to Paragraph **A.5.f. Business Income:**

**(5) Newly Acquired Locations**

- (a) If this policy includes Business Income Coverage, you may extend your Business Income Coverage to apply to property at a location you acquire other than at fairs or exhibitions .
- (b) The most we will pay for loss or damage under this Extension is \$250,000 at each location in any one occurrence.
- (c) Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
  - (i) This policy expires;
  - (ii) 60 days expire after you acquire or begin to construct the property;
  - (iii) You report values to us; or
  - (iv) The property is more specifically insured.

5. The \$1,000 limit shown in Paragraph **A.5.j. Money Orders And "Counterfeit Money"** is replaced by a \$10,000 limit.

6. Paragraph **A.5.k.(4) Forgery Or Alteration** is replaced by the following:

- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is the greater of \$25,000 or an amount equal to the Limit of Insurance for Employee Dishonesty shown in the Declarations.

7. Paragraph **A.5.l. Increased Cost Of Construction** does not apply. Refer to Paragraph **E.6. - Ordinance Or Law Coverage** of this endorsement.

8. Paragraph **A.5.m. Business Income From Dependent Properties** is replaced by the following:

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

However, this Additional Coverage does not apply when the only loss to dependent property or secondary dependent property is loss or damage to "electronic data", including destruction or corruption of "electronic data". If the dependent property or secondary dependent property sustains loss or damage to "electronic data" and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

The most we will pay under this Additional Coverage is the lesser of:

- (a) \$50,000; or
- (b) 30 days actual loss sustained after direct loss or damage to the property.
- (2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operation" in whole or in part, by using any other available:
  - (a) Source of materials; or
  - (b) Outlet for your products.
- (3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- (4) Dependent property means property owned by others whom you depend on to:
  - (a) Deliver materials or services to you, or to others for your account. But services does not mean water supply services, wastewater removal services, communication supply services, or power supply services;
  - (b) Accept your products or services;
  - (c) Manufacture your products for delivery to your customers under contract for sale; or
  - (d) Attract customers to your business.

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

- (5) Secondary dependent property means an entity which is not owned or operated by a dependent property and which:
  - (a) Delivers materials or services to a dependent property, which in turn are used by the dependent property in providing materials or services to you; or

- (b) Accepts materials or services from a dependent property, which in turn accepts your materials or services.

A road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure is not a secondary dependent property

Any property which delivers any of the following services is not a secondary dependent property with respect to such services:

- (i) Water supply services;
- (ii) Wastewater removal services;
- (iii) Communication supply services; or
- (iv) Power supply services.

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

- (6) The coverage period for Business Income under this Additional Coverage:

- (a) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property or secondary dependent property; and
- (b) Ends on the date when the property at the premises of the dependent property or secondary dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

- (7) The Business Income coverage period as stated in Paragraph (5), does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

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

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

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

9. Paragraph **A.5.n. Glass Expenses** is replaced by the following:

We will pay for direct physical loss of or damage to glass, including lettering or ornamentation, which is part of or contained in a covered building or structure at the described premises. The glass must be owned by you, or owned by others but in your care, custody or control. We will also pay for necessary:

- (1) Expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed;
- (2) Repair or replacement of encasing frames; and
- (3) Expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

10. Paragraph **A.5.o. Fire Extinguisher Systems Recharge Expense** is replaced by the following:

- (1) We will pay:

- (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises; and
- (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.

- (3) The most we will pay under this Additional Coverage is \$15,000 in any one occurrence.

11. The \$10,000 limit shown in Paragraph **A.5.p.(3) Electronic Data** is replaced by a \$25,000 limit.

**E. The following is added to Section A.5 Additional Coverages:**

**1. Computer Equipment**

- a. We will pay for direct loss of or damage to Computer Equipment resulting from direct physical loss or damage by a Covered Cause of Loss at the premises described in the Declarations.

- b. The most we will pay for loss under this Additional Coverage is \$25,000 in any one occurrence. Our payment will only be for the account of the owner of the computer equipment.

## 2. Employee Dishonesty

- a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
- (1) Cause you to sustain loss or damage; and also
  - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for;
    - (a) Any employee; or
    - (b) Any other person or organization.
- b. We will not pay for loss or damage:
- (1) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
  - (2) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph a.), "managers" or directors:
    - (a) Whether acting alone or in collusion with other persons; or
    - (b) While performing services for you or otherwise.
  - (3) The only proof of which as to its existence or amount is:
    - (a) An inventory computation; or
    - (b) A profit and loss computation.
  - (4) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.
- c. The most we will pay for loss or damage in any one occurrence is:
- (1) \$25,000; or
  - (2) The Limit of Insurance for Employee Dishonesty shown in the Declarations; whichever is greater.
- d. All loss or damage:
- (1) Caused by one or more persons; or
  - (2) Involving a single or series of related acts;
- is considered one occurrence.
- e. If any loss is covered:
- (1) Partly by this insurance; and
  - (2) Partly by any prior cancelled or terminated insurance that we or any affiliate has issued to you or any predecessor in interest;
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- f. This Additional Coverage is cancelled as to any employee immediately upon discovery by:
- (1) You; or
  - (2) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;
- of any dishonest act committed by that employee before or after being hired by you.
- g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.

- h. If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
  - (1) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (2) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i. The insurance under Paragraph **h.** above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
  - (1) This Additional Coverage as of its effective date; or
  - (2) The prior insurance had it remained in effect.
- j. With respect to the Employee Dishonesty Additional Coverage Paragraph **E.2.** of this endorsement, employee means:
  - (1) Any natural person:
    - (a) While in your service or for 30 days after termination of service;
    - (b) Who you compensate directly by salary, wages or commissions; and
    - (c) Who you have the right to direct and control while performing services for you;
  - (2) Any natural person who is furnished temporarily to you:
    - (a) To substitute for a permanent employee as defined in Paragraph (1) above, who is on leave; or
    - (b) To meet seasonal or short-term workload conditions;
  - (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;
  - (4) Any natural person who is a former employee, director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or
  - (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean;

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.
- k. This Additional Coverage replaces Paragraph **G.3. Optional Coverages - Employee Dishonesty.**
- l. Paragraph **B.2.f. Exclusions - Dishonesty** does not apply to coverage for employees as provided by this Additional Coverage.
- m. **Theft Of Clients' Property Coverage**

- (1) We will also pay for loss of or damage to "money", "securities" and "other property" which was located at your clients' premises, and your client owned, leased, or held for others at the time of loss or damage, resulting directly from theft committed by any of your employees, acting alone or in collusion with other persons.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization, including your client. Any claim for loss that is covered under this coverage must be presented by you.

- (2) The most we will pay for covered loss or damage under this Additional Coverage is \$5,000, unless a higher Theft of Clients' Property Coverage Limit of Insurance is shown in the Declarations.
- (3) We will not pay for any covered loss or damage until the amount of covered loss or damage exceeds \$250 in any one occurrence. We will then pay the amount of covered loss or damage in excess of this deductible amount up to the applicable Limit of Insurance. No other deductible applies to this Theft of Clients' Property Coverage.



- (4) As used in the Theft Of Clients' Property Coverage, "other property" means any tangible property other than "money" and "securities" that has intrinsic value, but does not include any property described under subparagraphs **a., c., d., f., h. and i.** of Section **A.2. Property Not Covered.**

### 3. Employee Tools

We will pay for loss of or damage to tools owned by your employees located on the described premises or in transit resulting from a Covered Cause of Loss.

The most we will pay for loss under this Additional Coverage is \$25,000 or the Limit of Insurance shown in the Declarations in any one occurrence. Our payment will only be for the account of the owner of the tools.

### 4. Money And Securities

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

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

- b. In addition to the limitations and exclusions applicable to **Section I - Property**, we will not pay for loss:

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

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

- (1) \$10,000 for Inside the Premises for "money" and "securities" while:
  - (a) In or on the described premises; or
  - (b) Within a bank or savings institution; and
- (2) \$5,000 for Outside the Premises for "money" and "securities" while anywhere else; or
- (3) The Limit of Insurance for Money And Securities shown in the Declarations; whichever is greater.

- d. All loss:

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

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

- f. This Additional Coverage replaces Paragraph **G.2. Optional Coverages - Money And Securities.**

### 5. Off-premises Power Failure

We will pay up to \$25,000 for loss of Business Income and Extra Expense caused by the failure of power or other utility service supplied to the described premises if the failure occurs away from the described premises.

The failure of power or other utility service must result from direct physical loss or damage by a Covered Cause of Loss.

We will only pay for loss you sustain after the first 24 hours following the direct physical loss to the off-premises property.

### 6. Ordinance Or Law Coverage

- a. The following Additional Coverages apply only to covered buildings written on a replacement cost basis.

- b. **Application Of Coverage(s)**

The Additional Coverage for Ordinance Or Law provided by this endorsement applies only if both **6.b.(1)** and **6.b.(2)** are satisfied and are then subject to the qualifications set forth in **6.b.(3).**



(1) The ordinance or law:

- (a) Regulates the demolition, construction or repair of buildings or tenants improvements and betterments, or establishes zoning or land use requirements at the described premises; and
- (b) Is in force at the time of loss.

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

(2) The building or tenants improvements and betterments sustain direct physical damage:

- (a) That is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or
- (b) That is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building or tenants improvements and betterments damage in its entirety, you are required to comply with the ordinance or law.
- (c) But if the damage is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building or tenants improvements and betterments has also sustained covered direct physical damage.

(3) In the situation described in 6.b.(2)(b) above, we will not pay the full amount of loss otherwise payable under the terms of Coverages 1, 2 and/or 3 of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage alone would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under terms of Coverages 1, 2 and/or 3.

c. We will not pay under Coverages 1, 2 or 3 for:

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

d. Coverage

(1) **Coverage 1 - Coverage For Loss To The Undamaged Portion Of The Building or Tenants Improvements And Betterments**

With respect to the building or tenants improvements and betterments that has sustained covered direct physical damage, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building or tenants improvements and betterments as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building or tenants improvements and betterments. Coverage 1 is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage 1 does not increase the Limit of Insurance.

(2) **Coverage 2 - Demolition Cost Coverage**

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

Paragraph E.5.d. Loss Payment - Property Loss Condition does not apply to Demolition Cost Coverage.

(3) **Coverage 3 - Increased Cost Of Construction Coverage**

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

- (a) Repair or reconstruct damaged portions of that building; and/or

- (b) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

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

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (b) We will not pay the increased cost of construction if the building is not repaired, reconstructed or remodeled.

Paragraph **E.5.d. Loss Payment** Property Loss Condition does not apply to the **Increased Cost Of Construction Coverage**.

**e. Loss Payment**

- (1) Loss payment Provisions **e.(2)** and **e.(3)** below, are subject to the apportionment procedure set forth in Paragraph **6.b.(3)** above.
- (2) When there is a loss in value of an undamaged portion of a building or tenants improvements and betterments to which Coverage **1** applies, the loss payment for that building or tenants improvements and betterments, including damaged and undamaged portions, will be determined as follows:
- (a) If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
- (i) The amount you actually spend to repair, rebuild or reconstruct the building or tenants improvements and betterments, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
  - (ii) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (b) If the property is not repaired or replaced, we will not pay more than the lesser of:
- (i) The actual cash value of the building at the time of loss; or
  - (ii) The Limit of Insurance shown in the Declarations as applicable to the covered building.
  - (iii) If the tenants improvements and betterments are not repaired or replaced, we will pay based on a proportion of your original cost of the tenants improvements and betterments. We will determine the proportionate value as follows:
    - i. Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - ii. Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in the procedure.
- (3) For Coverage **2 - Demolition Cost Coverage** and Coverage **3 - Increased Cost Of Construction Coverage**, the most we will pay at each described premises for the total of all covered losses is:
- (a) \$150,000; or
  - (b) The Limit of Insurance for Demolition Cost Coverage and Increased Cost Of Construction Coverage shown in the Declarations;

whichever is greater.

The Limit of Insurance for Demolition Cost Coverage and Increased Cost Of Construction Coverage described in Paragraph **e.(3)** above, is subject to the following additional loss payment provisions:

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

- (b) With respect to the Increased Cost Of Construction:
- (i) We will not pay for the increased cost of construction:
    - i. Until the property is actually repaired or replaced, at the same or another premises; and
    - ii. Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (ii) If the building or tenants improvements and betterments are repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost Of Construction is the lesser of:
    - i. The increased cost of construction at the same premises; or
    - ii. The applicable Demolition Cost and Increased Cost of Construction Limit of Insurance described in Paragraph e.(3) above.
  - (iii) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost Of Construction is the lesser of:
    - i. The increased cost of construction at the new premises; or
    - ii. The applicable Demolition Cost and Increased Cost Of Construction Limit of Insurance described in Paragraph e.(3) above.
- f. The terms of this Additional Coverage apply separately to each building to which this endorsement applies.
- g. Under this endorsement, we will not pay for loss due to any ordinance or law that:
- (1) You were required to comply with before the loss, even if the building was undamaged; and
  - (2) You failed to comply with.
- h. Example of Proportionate Loss Payment for Ordinance Or Law Coverage Losses (procedure as set forth in Paragraph 6.b.(3) above).

Assume:

- Wind is a Covered Cause of Loss. Flood is an excluded Cause of Loss;
- The building has a value of \$200,000;
- Total direct physical damage to building: \$100,000;
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value;
- Portion of direct physical damage that is covered (caused by wind): \$30,000;
- Portion of direct physical damage that is not covered (caused by flood): \$70,000; and
- Loss under Ordinance Or Law Coverage 3 of this endorsement: \$60,000.

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

$\$30,000 \text{ divided by } \$100,000 = .30$

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

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

In this example, the most we will pay under this endorsement for Coverage 3 loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

**NOTE:** The same procedure applies to losses under Coverage 1 and 2 of this endorsement.

## 7. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
  - (1) Owned by you; or
  - (2) Owned by others but in your care, custody or control.
- b. Section A.3. Covered Causes of Loss and Section B. Exclusions do not apply to this Additional Coverage, except for:
  - (1) Paragraph B.1.c. Governmental Action;

- (2) Paragraph **B.1.d. Nuclear Hazard**; and
- (3) Paragraph **B.1.f. War And Military Action**.

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

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

d. The most we will pay for loss or damage in any one occurrence is:

- (1) \$25,000; or
- (2) The Limit of Insurance for Outdoor Signs shown in the Declarations; whichever is greater.

e. This Additional Coverage replaces Paragraph **G.1. Optional Coverages - Outdoor Signs**.

f. Paragraph **C.2. Limits Of Insurance** does not apply to this Additional Coverage.

#### 8. Reward

We will pay up to \$10,000 as a reward for information which leads to a conviction in connection with a fire loss or theft loss covered under this policy. Regardless of the number of persons involved in providing information, the limit of our liability under this Additional Coverage shall not be increased.

F. Section **A.6. Coverage Extensions** is modified as follows:

1. Paragraph **A.6.a Newly Acquired Or Constructed Property** is replaced by the following:

##### (1) Buildings

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

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

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

##### (2) Business Personal Property

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

- (a) Business Personal Property, including such property that you newly acquire, at any location you acquire;
- (b) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (c) Business Personal Property that you newly acquire, located at the described premises.

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

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

##### (3) Period Of Coverage

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

- (a) This policy expires;
- (b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as Covered Property; or
- (c) You report values to us.

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

2. Paragraph **A.6.b. Personal Property Off-premises** is replaced by the following:

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$25,000.

The above Limit does not include Employee Tools. Refer to Paragraph **E.3. Additional Coverages - Employee Tools** of this endorsement for specific coverage.

3. Paragraph **A.6.c. Outdoor Property** is replaced by the following:

You may extend the insurance provided by this policy to apply to your outdoor fences and retaining walls; radio or television antennas (including satellite dishes), including their lead-in wiring, masts, or towers; trees, shrubs and plants, including debris removal expense, caused by or resulting from a Covered Cause of Loss.

The most we will pay for loss or damage under this Extension is \$25,000 but not more than \$1,000 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

4. Paragraph **A.6.d. Personal Effects** is replaced by the following:

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees, including temporary or leased employees. This extension does not apply to:

- (1) Tools or equipment used in your business except as provided by Paragraph **E.3. Additional Coverages - Employee Tools** of this endorsement; or
- (2) Loss or damage by theft.

The most we will pay for loss or damage under this Extension is \$15,000 at each described premises.

5. Paragraph **A.6.e.(3) Valuable Papers And Records** is replaced by the following:

- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$25,000, unless a higher Limit of Insurance is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is the lesser of 25% of the Valuable Papers And Records Limit of Insurance described above, or \$10,000.

6. Paragraph **A.6.f.(2) Accounts Receivable** is replaced by the following:

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$35,000, unless a higher Limit of Insurance for Accounts Receivable is shown in the Declarations.

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

**G. The following are added to Section A.6. Coverage Extensions:**

1. **Cellular Phones And Personal Digital Assistant (PDA)**

- a. The most we will pay for loss or damage to Cellular Phones, PDA's and similar hand-held wireless communication devices is \$1,000.
- b. A \$50 per occurrence deductible applies to this Coverage Extension. This deductible does not increase the amount of the deductible shown in the Declarations and will be used to satisfy the requirements of the deductible shown in the Declarations.

2. **Fine Arts**

You may extend the insurance which applies to Your Business Personal Property to apply to "fine arts" that are:

- a. Property you own that is used in your business; or
- b. Property of others that is in your care, custody or control.

The most we will pay for loss or damage under this Coverage Extension is \$10,000 at each described premises; or the Limit of Insurance for Fine Arts shown in the Declarations; whichever is greater.

In the event of loss or damage to property covered under this Extension, we will pay the market value of the property at the time of loss or damage.

Section **B. Exclusions** does not apply to this Coverage Extension except for:

- a. Paragraph **B.1.c. Governmental Action**;
- b. Paragraph **B.1.d. Nuclear Hazard**;
- c. Paragraph **B.1.f. War And Military Action**;
- d. Paragraph **B.2.f. Dishonesty**;
- e. Paragraph **B.2.g. False Pretense**; and
- f. Paragraph **B.2.k. Neglect**.

**3. Lock Replacement**

You may extend the insurance provided by this policy to apply to the cost to repair or replace the door locks or tumblers of your described premises due to theft of your door keys.

**4. Loss Adjustment Expenses**

You may extend the insurance provided by this policy to apply to your expenses for preparation of loss data, including inventories and appraisals, in connection with any claim covered under this policy. This Coverage Extension will not pay for expenses incurred insuring the services of a public adjuster.

The most we will pay under this Coverage Extension is \$5,000.

**5. Water Back-up And Sump Overflow**

- a. You may extend the insurance provided by this policy to apply to direct physical loss or damage to your covered property caused by or resulting from:

- (1) Water or waterborne material which backs up into a building or structure through sewers or drains contained within a building which are directly connected to a sanitary sewer or septic system; or
- (2) Water or waterborne material which enters into or overflows from a sump, sump pump or related equipment, provided that it is located in a building and designed to remove subsurface water which is drained from the foundation area, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph (2) above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

- b. The coverage described in Paragraph a. above does not apply to loss or damage resulting from an insured's failure to:

- (1) Keep a sump pump or its related equipment in proper working condition; or
- (2) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

- c. The most we will pay for the coverage provided under the Water Back-up And Sump Overflow Coverage Extension is \$25,000 per location.

- d. We will not, however, pay for any loss or damage that results from water or other materials that back up, overflow, or are discharged from a sewer, drain, sump, sump pump or related equipment when it is caused directly or indirectly by any flood, whether the flood is caused by an act of nature or is otherwise caused. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**H. Section C. Limits Of Insurance** is modified as follows:

- 1. Paragraph **C.3.** is replaced by the following:

- 3. Unless otherwise stated, the amounts of insurance applicable to the Coverage Extensions, and the following Additional Coverages listed below, are in addition to the Limits of Insurance:

- a. Computer Equipment;
- b. Employee Dishonesty;
- c. Employee Tools;
- d. Fire Department Service Charge;
- e. Fire Extinguisher Systems Recharge Expense;
- f. Forgery Or Alteration;
- g. Money And Securities;



- h. Money Orders And "Counterfeit Money";
- i. Off-premises Power Failure;
- j. Ordinance Or Law Coverage;
- k. Pollutant Clean Up And Removal; and
- l. Reward.

2. Paragraph **C.5.a. Business Personal Property Limit - Seasonal Increase** is replaced by the following:
  - a. The Limit of Insurance for Business Personal Property will automatically increase by 33% to provide for seasonal variations.

- I. Paragraphs **D.2. and D.3. Deductibles** are replaced by the following:

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage is \$500 in any one occurrence under the following Additional Coverages:
  - a. Employee Dishonesty;
  - b. Forgery Or Alteration;
  - c. Money Orders And "Counterfeit Money";
  - d. Money And Securities; or
  - e. Outdoor Signs.

But this \$500 deductible will not increase the deductible shown in the Declarations. This deductible will be used to satisfy the requirements of the deductible in the Declarations.

3. No deductible applies to the following:

- a. Additional Coverages:
  - (1) Business Income;
  - (2) Civil Authority;
  - (3) Extra Expense;
  - (4) Fire Department Service Charge;
  - (5) Fire Extinguisher Systems Recharge Expense;
  - (6) Off-premises Power Failure;
  - (7) Reward; or
- b. Coverage Extensions:
  - (1) Lock Replacement; or
  - (2) Loss Adjustment Expenses.
- c. A \$50 per occurrence deductible applies to Cellular Phone Coverage, but this \$50 per occurrence deductible will not increase the deductible shown in the Declarations. This deductible will be used to satisfy the requirements of the deductible in the Declarations.

- J. Section **E. Property Loss Conditions** is modified as follows:

1. Paragraph **E.5. Loss Payment** is replaced by the following:

In the event of loss or damage covered by this policy:

- a. At our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph **d.(1)(a)** below.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Except as provided in Paragraphs (2) through (8) below, we will determine the value of Covered Property as follows:
  - (1) At replacement cost without deduction for depreciation, subject to the following:
    - (a) We will not pay more for loss or damage on a replacement cost basis than the least of:

- (i) The Limit of Insurance under **Section I - Property** that applies to the lost or damaged property;
- (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
  - i. Of comparable material and quality; and
  - ii. Used for the same purpose; or
- (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

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

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

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

- (d) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- (2) If the Actual Cash Value - Buildings option applies, as shown in the Declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
  - (3) The following property at actual cash value:
    - (a) Used or second-hand merchandise held in storage or for sale;
    - (b) Household contents, except personal property in apartments or rooms furnished by you as landlord; or
    - (c) Manuscripts.
  - (4) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac at market value at the time of loss.
  - (5) Glass at the cost of replacement with safety glazing material if required by law.
  - (6) Tenants improvements and betterments and/or undamaged tenants improvements and betterments at:
    - (a) The cost to repair or replace on the same or another site if you make repairs promptly;
    - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
      - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
      - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (c) Nothing if others pay for repairs or replacement.
  - (7) Applicable only to coverage for Money And Securities:
    - (a) "Money" at its face value; and
    - (b) "Securities" at their value at the close of business on the day the loss is discovered.

**(8) Applicable only to Accounts Receivable:**

- (a)** If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
  - (i)** We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
  - (ii)** We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- (b)** The following will be deducted from the total amount of accounts receivable, however that amount is established:
  - (i)** The amount of the accounts for which there is no loss or damage;
  - (ii)** The amount of the accounts that you are able to re-establish or collect;
  - (iii)** An amount to allow for probably bad debts that you are normally unable to collect; and
  - (iv)** All unearned interest and service charges.
- e.** Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f.** We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g.** We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all the terms of this policy, and:
  - (1)** We have reached agreement with you on the amount of loss; or
  - (2)** An appraisal award has been made.

**2. The following are added to Paragraph E.5. Loss Payment:****a. Brands And Labels**

If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, and we take all or part of the property at an agreed or appraised value, you may extend the insurance that applies to Business Personal Property to pay expenses you incur to:

- (1)** Stamp salvage on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2)** Remove the brands and labels, if doing so will not physically damage the merchandise or its containers to comply with the law.

Payment of these expenses is included within the applicable Limit of Insurance.

**b. Consequential Loss To Stock**

If a Covered Cause of Loss occurs to covered "stock", we will pay any reduction in value of the remaining undamaged parts of covered "stock".

Payment for any reduced value in "stock" is included within the applicable Limit of Insurance.

**K. Section H. Property Definitions is modified as follows:****1. Paragraph H.9. "Period of restoration" is replaced by the following:****a. Means the period of time that:****(1) Begins:**

- (a)** 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
- (b)** Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

(2) Ends on the earlier of:

- (a) The date when your business activities at the described premises return to the level that existed immediately before the loss; but in no event for more than 30 days after the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (b) The date when business is resumed at a new permanent location.

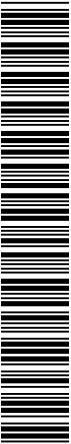
b. Does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

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

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

2. With respect to this endorsement, the following is added to Section **H. Property Definitions**:

"Fine Arts" means paintings, etchings, pictures, tapestries, art or stained glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, sports memorabilia and any other similar property of rarity, historic value or artistic merit.



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

## **AMENDMENT OF POLLUTION EXCLUSION (PREMISES)**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

1. The following exception is added to Exclusion B.1.f. Pollution in Section II - Liability:

Subparagraph (a) of Paragraph (1) does not apply to "bodily injury" or to "property damage" to tangible property arising out of the actual discharge, dispersal, seepage, migration, release or escape of "pollutants" if the actual discharge, dispersal, seepage, migration, release or escape:

- (a) begins on a clearly identifiable specific day during the policy period and ends in its entirety not later than seventy-two (72) hours thereafter;
- (b) is discovered and reported to us within fifteen (15) days of the specific day it begins;
- (c) is neither expected nor intended from the standpoint of any insured;
- (d) is unrelated to any previous discharge, dispersal, seepage, migration, release or escape; and
- (e) does not originate at or from a storage tank or other container, duct or piping which is below the surface of the ground or water or which at any time has been buried under the surface of the ground or water and then is subsequently exposed by erosion, excavation or any other means.

Tangible property, as used in this endorsement, does not include land or water, which is below ground level or not.

Coverage provided hereunder does not apply to any discharge, dispersal, seepage, migration, release or escape that is merely threatened or alleged rather than shown to have actually occurred.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## BUSINESSOWNERS LIABILITY EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

Below is a summarization of the coverages provided by this endorsement. No coverages are given by this summary. Actual coverage descriptions are within this endorsement.

<u>SECTION</u>	<u>SUBJECT</u>
A.	Supplementary Payments Bail Bonds Loss Of Earnings
B.	Broadened Coverage For Damage To Premises Rented To You
C.	Incidental Medical Malpractice Injury
D.	Mobile Equipment
E.	Blanket Additional Insured (Owners, Contractors Or Lessors)
F.	Newly Formed Or Acquired Organizations
G.	Aggregate Limits
H.	Duties In The Event Of Occurrence, Offense, Claim Or Suit
I.	Liability And Medical Expenses Definitions Bodily Injury Insured Contract Personal And Advertising Injury

**Section II - Liability** is amended as follows:

#### A. Supplementary Payments

Section **A.1. Business Liability** is modified as follows:

1. The \$250 limit shown in Paragraph **A.1.f.(1)(b) Coverage Extension - Supplementary Payments** for the cost of bail bonds is replaced by a \$3,000 limit.
2. The \$250 limit shown in Paragraph **A.1.f.(1)(d) Coverage Extension - Supplementary Payments** for reasonable expenses and loss of earnings is replaced by a \$500 limit.

#### B. Broadened Coverage For Damage To Premises Rented To You

1. The last paragraph of Section **B.1. Exclusions - Applicable To Business Liability Coverage** is replaced by the following:

With respect to the premises which are rented to you or temporarily occupied by you with the permission of the owner, Exclusions **c., d., e., g., h., k., l., m., n. and o.** do not apply to "property damage".



2. Paragraph **D.2. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

The most we will pay under this endorsement for the sum of all damages because of all "property damage" to premises while rented to you or temporarily occupied by you with the permission of the owner is the Limit of Insurance shown in the Declarations.

3. Paragraph **D.3. Liability And Medical Expenses Limits Of Insurance** does not apply.

#### **C. Incidental Medical Malpractice Injury**

1. Paragraph **(4)** under Paragraph **B.1.j. Exclusions - Applicable To Business Liability Coverage - Professional Services** does not apply to "Incidental Medical Malpractice Injury" coverage.
2. With respect to this endorsement, the following is added to Section **F. Liability And Medical Expenses Definitions**:

- a. "Incidental Medical Malpractice Injury" means bodily injury arising out of the rendering of or failure to render, during the policy period, the following services:
- (1) Medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or
  - (2) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.
- b. This coverage does not apply to:
- (1) Expenses incurred by the insured for first-aid to others at the time of an accident and the Duties in the Event of Occurrence, Offense, Claim or Suit Condition is amended accordingly.
  - (2) Any insured engaged in the business or occupation of providing any of the services described under **a.** above.
  - (3) Injury caused by any indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under **a.** above.

#### **D. Mobile Equipment**

Section **C. Who Is An Insured** is amended to include any person driving "mobile equipment" with your permission.

#### **E. Blanket Additional Insured (Owners, Contractors Or Lessors)**

1. Section **C. Who Is An Insured** is amended to include as an insured any person or organization whom you are required to name as an additional insured on this policy under a written contract or written agreement. The written contract or agreement must be:
- a. Currently in effect or becoming effective during the term of this policy; and
  - b. Executed prior to the "bodily injury", "property damage", or "personal and advertising injury".
2. The insurance afforded to the additional insured is limited as follows:
- a. The person or organization is only an additional insured with respect to liability arising out of:
    - (1) Real property, as described in a written contract or written agreement, you own, rent, lease, maintain or occupy; and
    - (2) Caused in whole or in part by your ongoing operations performed for that insured.
  - b. The Limit of Insurance applicable to the additional insured are those specified in the written contract or written agreement or the limits available under this policy, as stated in the Declarations, whichever are less. These limits are inclusive of and not in addition to the Limit of Insurance available under this policy.
  - c. The insurance afforded to the additional insured does not apply to:
    - (1) Liability arising out of the sole negligence of the additional insured;
    - (2) "Bodily injury", "property damage", "personal and advertising injury", or defense coverage under the Supplementary Payments section of the policy arising out of an architect's, engineer's or surveyor's rendering of or failure to render any professional services including:

- (a) The preparing or approving of maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
  - (b) Supervisory, inspection, architectural or engineering activities.
- (3) Any "occurrence" that takes place after you cease to be a tenant in the premises described in the Declarations; or
- (4) Structural alterations, new construction or demolition operations performed by or for the person or organization designated in the Declarations.

3. Any coverage provided hereunder shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless a contract specifically requires that this insurance be primary or you request that it apply on a primary basis.

#### F. Newly Formed Or Acquired Organizations

The following is added to Section **C. Who Is An Insured**:

Any business entity acquired by you or incorporated or organized by you under the laws of any individual state of the United States of America over which you maintain majority ownership interest exceeding fifty percent. Such acquired or newly formed organization will qualify as a Named Insured if there is no similar insurance available to that entity. However:

1. Coverage under this provision is afforded only until the 180th day after the entity was acquired or incorporated or organized by you or the end of the policy period, whichever is earlier;
2. Section **A.1. Business Liability** does not apply to:
  - a. "Bodily injury" or "property damage" that occurred before the entity was acquired or incorporated or organized by you; and
  - b. "Personal and advertising injury" arising out of an offense committed before the entity was acquired or incorporated or organized by you.
3. Records and descriptions of operations must be maintained by the first Named Insured.

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

#### G. Aggregate Limits

The following is added to Paragraph **D.4. Aggregate Limits Liability and Medical Expenses Limits Of Insurance**:

1. The Aggregate Limits apply separately to each of the "locations" owned by or rented to you or temporarily occupied by you with the permission of the owner.
2. The Aggregate Limits also apply separately to each of your projects away from premises owned by or rented to you.

For the purpose of this endorsement only, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

#### H. Duties In The Event Of Occurrence, Offense, Claim Or Suit

1. Paragraph **E.2.a. Duties In The Event Of Occurrence, Offense, Claim Or Suit Liability And Medical Expenses General Condition** applies only when the "occurrence" is known to any insured listed in Paragraph **C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim.
2. Paragraph **E.2.b. Duties In The Event Of Occurrence, Offense, Claim Or Suit Liability And Medical Expenses General Condition** will not be considered breached unless the breach occurs after such claim or "suit" is known to any insured listed under Paragraph **C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim.

I. Section **F. Liability And Medical Expenses Definitions** is modified as follows:

1. Paragraph **F.3.** is replaced by the following:

3. "Bodily Injury" means bodily injury, sickness, disease, or incidental medical malpractice injury sustained by a person, and includes mental anguish resulting from any of these; and including death resulting from any of these at any time.

2. Paragraph **F.9.** is replaced by the following:

9. "Insured contract" means:

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

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

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

3. Paragraph **F.14.b. Personal And Advertising Injury** is replaced by the following:

- b. Malicious prosecution or abuse of process;

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS BARBER/STYLING SALON PROFESSIONAL LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

#### I. Section II - Liability is amended as follows:

**A. Paragraph A.** Coverages also applies to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render professional services in connection with the operation of your business as a Day Spa, Nail Salon, Barber Shop or Beauty Salon, including treatment, advice or instruction for the purposes of appearance or skin enhancement or personal grooming or therapy.

**B. Under A. Coverage, 3. Physical Damage to Property** is added as follows:

#### **3. Physical Damage to Property**

**a.** We will pay at your request for loss of property of your customers. The loss must be due to you or while the property is in your possession and must result from your operation of a Day Spa, Nail Salon, Beauty Shop or Barber Shop. The most we will pay is \$250 per customer in any one "occurrence." The "occurrence" must take place during the policy period and in the "coverage territory."

Loss means unintentional damage or destruction but does not include:

- (1) Disappearance, abstraction or theft;
- (2) Loss to motor vehicles; or
- (3) Loss to property occupied by, used by or rented to you.

**b.** None of the policy exclusions apply to this coverage.

**C. Item B.1. of Exclusions** is modified as follows:

**1. Paragraph 1.b. Contractual Liability** is replaced by the following:

This insurance does not apply to:

**b.** "Bodily injury", "property damage" or "personal and advertising injury" or other injury for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

**2. Exclusion j., k.(6) and m.** does not apply to beautician, manicurist or barber services nor to an insured doing business as a Day Spa, Nail Salon, Beauty Shop or Barber Shop.

**D. The following** are added to Exclusions:

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or other injury arising out of:

**1. Products:**

- a.** Manufactured;
- b.** Prepared;

- c. Rebottled; or
- d. Repacked

by you or sold under your label for use away from the premises to which this insurance applies.

2. The violation of any statute or governmental rule or regulation; however, this exclusion does not apply to the failure to perform a predisposition of skin test.
3. Any equipment or process used to change the pigmentation of the skin.
4. Body massage (other than facial, hand or foot massage).
5. Any medical or surgical service, treatment, advice or instruction, including, but not limited to podiatry, chiropody, plastic surgery, face lifting, removal of warts, moles or growths or any attempt at these by anyone.
6. The attachment of eyelash extensions by means of bonding extensions to individual eye lashes.
7. Failure to comply with the manufacturers' instructions related to the care, cleaning and maintenance of any equipment used in connection with your business.
8. Any process or procedure used to remove hair, other than waxing or manual tweezing or cutting.
9. The use, administration or application of any dye to eyelashes or eyebrows except mascara or eyebrow pencils.
10. The operation of a training school or course of instruction in beauty culture or barbering.
11. Hair Implanting or hair transplanting or any attempt at these.
12. Body piercing (other than ear piercing).
13. Tattooing, including, but not limited to the insertion of pigment into or under the skin.
14. Any process or procedure, other than topical enzyme exfoliation, used to remove layers of skin including, but not limited to chemical peels, Intense Pulsed Light therapy or laser therapy.
15. The furnishing or dispensing of drugs, supplements or medical, dental or surgical supplies or appliances.
16. Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardio-vascular fitness, body building or physical training programs.

**E. Paragraph C. Who Is An Insured is amended as follows:**

1. Paragraph 2.a. is replaced by the following:

2. Each of the following is also an insured:

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

- (1) "Bodily injury" or "personal and advertising injury" or other injury:

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in Paragraph (1)(a) or (1)(b); or

(2) "Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of his or her providing or failing to provide professional services. However, your "employees" are insureds with respect to their providing or failing to provide services as a manicurist, barber or beautician in connection with your business.

(3) "Property damage" to property:

(a) Owned, occupied or used by;

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by:

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

2. The following is added to Paragraph 2:

e. Any operator who rents or leases from the insured booth space, chairs or any portion of your premises for the purpose of conducting manicurist, barber shop or beauty salon services and any "employee" of such operator, but only with respect to liability arising out of such services.

F. Paragraph **D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. The Each Occurrence Limit is the most we will pay for damages because of all "bodily injury", "property damage", or other injury in any one "occurrence", or "personal and advertising injury" sustained by any one person or organization. The Each Occurrence Limit for this insurance is equal to, but not part of, the Businessowners Liability and Medical Expenses Each Occurrence Limits scheduled in the Declarations.

3. The Aggregate Limit is the most we will pay for damages because of all "bodily injury", "property damage", or other injury in any one "occurrence", or "personal and advertising injury" sustained by any one person or organization. The Aggregate Limit for this insurance is equal to, but not part of, the Businessowners Liability and Medical Expenses Aggregate Limit scheduled in the Declarations.

4. If this insurance is in effect for a period of more than one year, the limits apply separately to each consecutive annual period, and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations. But if the policy period is extended for less than 12 months, the extended period will be deemed to be part of the last preceding period for purposes of determining the Limits of Insurance.

G. For the coverage provided by this endorsement, the definition of "occurrence" in Paragraph F. Liability and Medical Expenses Definitions is amended to include any act or omission arising out of the rendering or failure to render services as a barber or beautician.



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

## **HIRED AUTO PHYSICAL DAMAGE**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

Section II - Liability of the BUSINESSOWNERS COVERAGE FORM is amended as follows:

- I.** Paragraph B.1.k.(4) DAMAGE TO PROPERTY in paragraph B. Exclusions, is amended to include the following:

This exclusion does not apply to a covered "auto" while in your possession. We will pay all sums you legally must pay as damages for "loss" to a covered "auto" for:

- (a)** Comprehensive Coverage. From any cause except:

- (1)** the covered "auto's" collision with another object; or
- (2)** the covered "auto's" overturn.

- (b)** Collision Coverage. Caused by:

- (1)** the covered "auto's" collision with another object; or
- (2)** the covered "auto's" overturn.

### **II. LIMIT OF INSURANCE**

Regardless of the number of claims made or "suits" brought, the most we will pay for "loss" in any one "accident" is the lesser of:

- a.** the actual cash value of the damaged or stolen property as of the time of "loss"; or
- b.** the cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or
- c.** \$35,000.

### **III. DEDUCTIBLE**

For each covered "auto," our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible below. The Comprehensive Coverage Deductible does not apply to "loss" caused by fire or lightning.

Comprehensive Coverage Deductible \$250

Collision Coverage Deductible \$500

### **IV. ADDITIONAL EXCLUSIONS** applicable:

- a. This insurance does not apply to "loss" due to theft or conversion caused in any way by you, your officers or directors, your employees or by your stockholders.
- b. We will not pay for "loss" to any of the following:
  - (1) Tape decks or other sound reproducing equipment unless permanently installed in a covered "auto."
  - (2) Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
  - (3) Sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "auto" manufacturer for the installation of a radio.
  - (4) Equipment designed or used for the detection or location of radar.
- c. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:
  - (1) Wear and tear, freezing, mechanical or electrical breakdown.
  - (2) Blowouts, punctures or other road damage to tires.

**V. ADDITIONAL DEFINITIONS**

- a. "Accident" includes continuous or repeated exposure to the same conditions resulting in "property damage."
- b. "Auto" means a land motor vehicle you hire, rent or borrow from other than any of your employees, partners or members of their households.
- c. "Loss" means direct and accidental loss or damage and includes any resulting loss of use.

**BUSINESSOWNERS**  
**BP 81 15 03 11**

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

## **EXCLUSION - ASBESTOS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II - Liability is amended as follows:

This insurance does not apply to:

"Bodily injury", "property damage", or "personal and advertising injury" arising out of or related in any way to asbestos or asbestos -containing materials.

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

## **EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**Section I - Property** is amended as follows:

**A.** The following is added to Paragraph **A.5 Additional Coverages**:

### **Equipment Breakdown Additional Coverages**

1. We will pay for direct physical damage to Covered Property that is a direct result of an "accident" to "covered equipment".
2. The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations. Coverage provided under this endorsement does not increase and is not in addition to any other Limit of Insurance.
3. The following coverages also apply to the direct result of an "accident". These coverages do not provide additional limits of insurance.

#### **a. Expediting Expenses**

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or replacement.

Reasonable extra cost shall mean the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation.

#### **b. Hazardous Substances**

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expense to clean up or dispose of such property.

This does not include contamination of "perishable goods" by a refrigerant, including ammonia, which is addressed in **2.d** below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur is \$50,000.

#### **c. Spoilage**

We will pay for physical damage to "perishable goods" due to spoilage. The spoilage damage must be due to the lack of or excess of power, light, heat, steam or refrigeration caused by an "accident" to "covered equipment" covered by this policy.

We will also pay any necessary expense you incur to reduce the amount of loss under this coverage. We will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

Loss payment will be in accordance with Loss Payment provisions of the Property Loss Conditions of the policy. However, if you are unable to replace "perishable goods" before the anticipated sale date of such goods had no loss occurred, the amount of our payment will be determined on the basis of the sale price of "perishable goods" at the time of the "accident" less discounts and expenses you would normally incur.

The most we will pay for loss, damage or expense under this coverage is \$50,000.

**d. Ammonia Contamination**

The physical damage to Covered Property due to the contamination from the release of ammonia, including any salvage expense.

The most we will pay for loss or damage under this coverage is \$50,000.

**f. Data Restoration**

We will pay for your reasonable and necessary cost to research, replace and restore lost "electronic data".

The most we will pay for loss or expense under this coverage, including the actual loss of Business Income you sustain and necessary Extra Expense you incur is \$50,000.

**g. Service Interruption**

(1) Insurance provided for Business Income, Extra Expense and Spoilage is extended to apply to your loss, damage or expense caused by an "accident" to equipment that is owned, managed, or controlled by your landlord or landlord's utility, or utility or other supplier with whom you have a contract, that directly supplies you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission to the premises as described in the Declarations. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

(2) Service Interruption coverage will not apply unless the loss of or disruption of service exceeds 24 hours immediately following the "accident".

(3) The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage.

**B. The following is added to Paragraph B. Exclusions:**

**Equipment Breakdown Exclusions**

All exclusions in the Businessowners Coverage Form apply except as modified below and to the extent that coverage is specifically provided by this Equipment Breakdown Additional Coverage.

**1. The exclusions are modified as follows:**

**a. The following is added to B.1.g.(1) Water Exclusion:**

However, if electrical "covered equipment" requires drying out because of Water as described in B.1.g.(1) above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and Deductible for Building or Business Personal Property, whichever applies.

**b. As respects to this endorsement only, the next to the last Paragraph of B.1.h. Certain Computer-related Losses Exclusion is deleted and replaced with the following:**

However, if excluded loss or damage, as described in Paragraph (1) above results in an "accident", we will pay only for the loss, damage or expense caused by such "accident".

**c. As respects to this endorsement only, the last paragraph of B.2.i Other Types of Loss Exclusion is deleted and replaced with the following:**

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

**d. The following is added to B.2.m. Errors Or Omissions and B.2.n Installation, Testing, Repair Exclusions:**

We will also pay for direct physical loss or damage caused by an "accident".

2. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:
  - a. Any defect, programming error, programming limitation, computer virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within or involving "electronic data" of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense; or
  - b. Any of the following tests: a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.
3. With respects to Service Interruption coverage, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in **D.1.c.** below); smoke; aircraft or "vehicles"; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
4. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:
  - a. Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
  - b. Any increase in loss resulting from an agreement between you and your customer or supplier, including contract penalties.
5. We will not pay under this endorsement for any loss or damage to animals.

**C. The following are added to Paragraph F. Property General Conditions:**

**1. Suspension**

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

- (a) Your last known address; or
- (b) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by and endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

**2. Jurisdictional Inspections**

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

**3. Environmental, Safety and Efficiency Improvements**

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

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

**D. The following are added to Paragraph H. Property Definitions:**

1. "Accident" means a fortuitous event that causes direct physical damage to "covered equipment" that requires repair or replacement. The event must be one of the following:
  - a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
  - b. Artificially generated electrical current, including electric arcing that damages electrical devices, appliances or wires;
  - c. Explosion of steam boilers, steam pipes, steam engines, or steam turbines owned or leased by you, or operated under your control;



- d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any event inside such equipment, unless otherwise excluded; or
- e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any event inside such boilers or equipment, unless otherwise excluded.

An "accident" does not include the functioning of any safety or protective device, or any other condition, which can be corrected by resetting, tightening, adjusting, cleaning, or the performance of maintenance.

2. "Covered equipment"

a. "Covered equipment" means Covered Property:

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

b. None of the following is "covered equipment":

- (1) Structure, foundation, cabinet, compartment or air supported structure or building;
- (2) Insulating or refractory material;
- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler system;
- (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (5) "Vehicle" or any equipment mounted on a "vehicle";
- (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (7) Dragline, excavation or construction equipment; or
- (8) Equipment manufactured by you for sale.

- 3. "Hazardous substance" means any substance that has been declared to be hazardous to health by any governmental agency.
- 4. "One accident" means, if an initial "accident" causes other "accidents", all will be considered "one accident". All "accidents" that are the result of the same event will be considered "one accident".
- 5. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- 6. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

**EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE**

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

**PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

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

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

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

<b>Employment-Related Practices Liability Annual Aggregate Limit Of Insurance</b>	<b>\$</b>
<b>Deductible Amount</b>	<b>\$</b>
<b>Retroactive Date</b>	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II. Liability** is amended as follows:

1. For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **A. Coverages**:

**Coverage - Employment-Related Practices Liability**

**a. Insuring Agreement**

- (1) We will pay on behalf of the insured for "damages" in excess of the Deductible arising out of any "employment-related practices" to which this insurance applies. We have no obligation under this insurance to make payments or perform acts or services except as provided for in this paragraph and in Item **B.** below.
- (2) This insurance applies to such "damages" only if:
  - (a) The "damages" result from "claims" made by "employees", "leased workers", "temporary workers", former "employees" or applicants for employment by you;
  - (b) The "employment-related practices" take place in the "coverage territory";
  - (c) Such "employment-related practices" occurred after the Retroactive Date, if any, shown in the Declarations and before the end of the "policy period"; and
  - (d) A "claim" is both:
    - (i) First made against any insured, in accordance with paragraph 3. below, during the "policy period" or any Extended Reporting Period we provide under **SECTION VII -EXTENDED REPORTING PERIODS**; and
    - (ii) Reported to us either:
      - i. During the "policy period" or within thirty (30) days thereafter; or
      - ii. With respect to any "claim" first made during any Extended Reporting Period we provide under **SECTION VII -EXTENDED REPORTING PERIODS**, during such Extended Reporting Period.

- (3) A "claim" will be deemed to have been made at the earlier of the following times:
- (a) When notice of such "claim" is received and recorded by you or by us, whichever comes first; or
  - (b) When we make settlement in accordance with paragraph **B.3.** below.
- (4) All "claims" for "damages" based on or arising out of:
- (a) One "employment-related practice", or
  - (b) "Interrelated" "employment-related practices"
- by one or more insureds shall be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured.

Each payment we make for "damages" or "defense expense" reduces the amount of insurance available, as provided under **SECTION III - LIMITS OF INSURANCE**. Each payment we make for "damages" under this insurance is further subject to your coinsurance participation, as specifically described in **SECTION V - COINSURANCE FOR PAYMENT OF "DAMAGES"**.

**b. Exclusions**

This insurance does not apply to "claims" arising directly or indirectly from any:

**(1) Prior "Employment-Related Practices", Facts Or Circumstances**

- (a) "Employment-related practices" which were the subject of any demand, suit or other proceeding which was initiated against any insured; or
- (b) Facts, incidents and circumstances which would cause a reasonable person to believe a "claim" would be made and which were known to any insured,

prior to the effective date of the earlier of:

- (a) The first Employment-Related Practices Liability Endorsement that we issued to you of which this policy was an uninterrupted renewal of this type of coverage, or
- (b) This Employment-Related Practices Liability Endorsement.

**(2) Contractual Liability**

- (a) Breach of any express contract of employment or any express obligation to make payments in the event of termination of employment; or
- (b) Obligation to pay "damages" by reason of the assumption of liability in any contract or agreement. This exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.

**(3) Statutory Obligations**

Of the following laws:

- (a) Any workers compensation, disability benefits or unemployment compensation law, or any similar law, provided however, this exclusion shall not apply to any "claim" based upon, arising from, or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to any such law; or
- (b) The Fair Labor Standards Act, or any state or common law wage or hour law, including, but not limited to laws governing minimum wages, hours worked, overtime compensation, and including any recordkeeping and reporting related thereto. This exclusion includes actions or claims brought by or on behalf of individuals or agencies seeking wages, fines, penalties, taxes, disgorgement, or other affirmative relief or compensation, but does not include claims based on the Equal Pay Act, or retaliation; or
- (c) The National Labor Relations Act of 1938, the Worker Adjustment and Retraining Notification Act (Public Law 100-37991988), the Consolidated Omnibus Budget Reconciliation Act of 1985, or the Occupational Safety and Health Act.

This exclusion also applies to any rules or regulations promulgated under any of the foregoing and amendments thereto or any similar provisions of any federal, state or local law, and to that part of any "damages" awarded for the cost or replacement of any insurance benefits due or alleged to be due to any current or former "employee".

**(4) Employees' Retirement Income Security Act And Administration Of Employee Benefit Plans**

- (a) Responsibilities, obligations or duties imposed under the Employees' Retirement Income Security Act of 1974, Public Law 93-406, (E.R.I.S.A.) as now or hereafter amended, or any similar state or other governmental law. This includes fiduciary liability and any other liability under any such laws.
- (b) Administration of employee benefits plans whether or not liability arises out of E.R.I.S.A.

**(5) Publication Of Material With Knowledge Of Falsity Or Prior To Retroactive Date**

Oral or written publication of material, if such material:

- (a) Was published by or at the direction of the insured with knowledge of the material's falsity; or
- (b) Was first published before the Retroactive Date, if any, shown in the Declarations.

**(6) Dishonest, Criminal Or Fraudulent Acts, Or Failure To Comply With Law**

- (a) Dishonest, criminal or fraudulent acts of the insured; or
- (b) The willful failure by the insured or with the insured's consent to comply with any law or any governmental or administrative order or regulation relating to "employment-related practices". Willful, as used in this exclusion, means acting with intentional or reckless disregard for such employment related laws, orders or regulations.

The enforcement of this exclusion against any insured under this policy shall not be imputed to any other insured.

**(7) Bodily Injury**

"Bodily injury".

**(8) Bankruptcy Or Acquisition By Another Entity**

"Employment-related practices" which occur when or after:

- (a) You file for or are placed in any bankruptcy, receivership, liquidation or reorganization proceeding; or
- (b) Any other business entity acquires an ownership interest in you which is greater than fifty percent.

**(9) Americans With Disabilities Act - Costs Of Accommodations**

Costs of complying with physical modifications to your premises or any changes to your usual business operations as mandated by the Americans with Disabilities Act of 1990 including any amendment thereto, or any similar federal, state or local law.

**(10) Strikes, Lockouts And Other Similar Actions**

Lockout, strike, picket line, related worker replacement(s) or other similar actions resulting from labor disputes or labor negotiations.

**(11) War**

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

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

**c. Defense Of Claims, Administrative Hearings And Settlement Authority**

- (1) We have the right and duty to defend the insured against "claims" seeking "damages" to which this insurance applies and to pay for related "defense expense". However, we have no duty to:

- (a) Defend the insured against "claims" seeking "damages", or

- (b) Pay for related "defense expense",

when this insurance does not apply.

- (2) Our right and duty to defend the insured against "claims" end when we have used up the amount of insurance available, as provided under **SECTION III - LIMITS OF INSURANCE**. This applies both to "claims" pending at that time and those filed thereafter.

- (3) We may:

- (a) At our sole discretion, investigate any "employment-related practice" that may result in damages"; and

- (b) Settle any "claim" which may result, provided:

- (i) We have your written consent to settle; and

- (ii) The settlement is within the applicable Limit of Insurance available.

Our liability will be limited as described below if:

- (a) You refuse to consent to any settlement we recommend, and

- (b) Such recommended settlement is also acceptable to the claimant.

When this happens, our liability under this Endorsement for such "claim" shall not exceed the amount we would have paid for "damages" and "defense expense" if you had consented at the time of our recommendation. You shall thereafter negotiate and defend that "claim" at your own cost and without our involvement.

- (4) (a) When we control defense of a "claim", we will pay associated "defense expense" and choose a counsel of our choice from the panel of attorneys we have selected to deal with "employment-related practices" "claims". If you give us a specific written request at the time a claim is first made:

- (i) You may select one of our panel of employment law attorneys; or

- (ii) You may ask us to consider the approval of a defense attorney of your choice who is not on our panel.

We will use the panel attorney you selected in (i) above, or consider your request in (ii) above, when we deem it appropriate to engage counsel for such "claim".

- (b) If by mutual agreement or court order the insured assumes control of such defense before the applicable Limit of Insurance is used up, we will reimburse the insured for reasonable "defense expense", subject to item c. immediately below. You and any involved insured must continue to comply with **SECTION VI - CONDITIONS, B. Duties In Event Of "Employment-Related Practices" And "Claims"**. Additionally, you or such insured must direct defense counsel to:

- (i) Furnish us with additional information we request to evaluate the "employment-related practices" or "claims"; and

- (ii) Cooperate with any counsel we may select to monitor or associate in the defense of the "employment-related practices" or "claim".

(c) If we defend the insured under a reservation of rights, counsel will be required to maintain records pertinent to the insured's "defense expenses". These records will be used to determine the allocation of any "defense expenses" for which you or any insured may be solely responsible, including defense of an allegation not covered by this insurance.

(d) We will notify you in writing when the applicable limit of insurance has actually been used up by the payment of judgment, settlements or "defense expense". We will also initiate and cooperate in the transfer of defense of any "claim" to an appropriate insured for which the duty to defend has ended by reason of **SECTION B.2.** above.

In any case, however, we only pay amounts in excess of the Deductible and such payments will reduce the Limit of Insurance available, as provided under **SECTION III - LIMITS OF INSURANCE.**

2. For the purposes of the coverage provided by this endorsement:
  - a. Paragraph **f. Coverage Extension . Supplementary Payments** does not apply.
3. For the purposes of the coverage provided by this endorsement, Paragraph **C. Who Is An Insured** is replaced by the following:
  - a. If you are designated in the Declarations as:
    - (1) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
    - (2) A partnership or joint venture, you are an insured. Your current or former members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
    - (3) A limited liability company, you are an insured. Your current or former members are also insureds, but only with respect to the conduct of your business. Your current or former managers are insureds, but only with respect to their duties as your managers.
    - (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your current or former directors are insureds, but only with respect to their duties as your directors.
  - b. Each of the following is also an insured:
    - (1) Your current or former "employees" but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
    - (2) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
  - c. Any heirs, executors, administrators, assignees or legal representatives of any individual insured described in provisions 1. and 2. of paragraphs **A.** and **B.** above, in the event of the death, bankruptcy or incapacity of such insured, shall be insureds, but only to the extent this insurance would have been available to such insured but for their death, bankruptcy or incapacity.
  - d. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
    - (1) You must provide us notice of such acquisition or formation within 30 days of the effective date of your acquisition or formation;
    - (2) Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the "policy period", whichever is earlier;
    - (3) Coverage does not apply to any "employment-related practices" that occurred before you acquired or formed the organization; and
    - (4) You must pay us any additional premium due as a condition precedent to the enforceability of this additional extension of coverage.



This part **D.** does not apply to any organization after it is shown in the Declarations or added to this policy by endorsement.

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

4. For the purposes of the coverage provided by this endorsement, Paragraph **D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

**a. Limits of Insurance**

- (1) The Limits of Insurance shown in the Declarations for this Endorsement and the rules below fix the most we will pay regardless of the number of:

- (a) Insureds;
- (b) "Claims" made; or
- (c) Persons or organizations making "claims".

- (2) The amount of insurance stated as Aggregate Limit is the most we will pay for the sum of

- (a) All "damages" for all "claims" arising out of any actual or alleged "employment-related practices" covered by this insurance; and
- (b) All "defense expense" for all "claims" seeking "damages" payable under paragraph **B.1.** above.

Each payment we make for such "damages" or "defense expenses" reduces the Aggregate Limit by the amount of the payment. This reduced limit will then be the amount of insurance available for further "damages" and "defense expenses" under this Endorsement.

- (3) Subject to **B.** above, the amount of insurance stated as the Each "Claim" Limit is the most we will pay in excess of the Deductible as further described in **SECTION IV - DEDUCTIBLE** for the sum of :

- (a) All "damages" for injury arising from "employment-related practices" covered by this insurance arising out of one "claim" whether such "claim" is brought by one or more claimants; and
- (b) All "defense expense" associated with that specific "claim" in item **C.1.** immediately preceding.

- (4) In addition to the payments for "damages" and "defense expense" in paragraphs **B.** and **C.** above, we will also pay all interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of paragraphs **B.** and **C.** above.

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

**5. Deductible**

- a. A deductible applies to all "damages" for injury arising from "employment-related practices" and any "defense expense" however caused.
- b. Our obligation under this Employment-Related Practices Liability Insurance to pay "damages" and "defense expense" on behalf of any insured applies only to the sum of the amount of "damages" and "defense expense" for each "claim" which are in excess of the deductible amount stated in Declarations.

- c. Your obligation is to pay that deductible which is applicable to each "claim" made against this insurance. That deductible applies to the sum of all "damages" because of injury arising from "employment-related practices" paid for each "claim" and applicable "defense expense" associated therewith. If there should be no "damages" paid for a "claim", you are still obligated to pay the applicable deductible for any "defense expense" incurred by us in connection with that "claim".
- d. The terms of this insurance apply irrespective of the application of the deductible, including those with respect to:
  - (1) Our right and duty to defend any "claims" seeking those "damages"; and
  - (2) Your duties in the event of a "claim".
- e. We may pay any part or all of the deductible to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible as we may have paid for "damages" or "defense expense".
- f. The application of the deductible does not erode the Limits of Insurance provided.

#### 6. Coinsurance For Payment Of "Damages"

- a. With respect to any "claim" for which we pay "damages" under this insurance, you will be responsible for your share of such "damages", in excess of the applicable deductible, at the percentage shown in the Declarations as coinsurance participation. We will be responsible for the remaining percentage of "damages" payable under this Endorsement subject to the applicable Limits of Insurance.
- b. Your coinsurance participation is limited as shown in the declarations to a maximum amount per "claim".
- c. Subject to the provisions of this section we may make payments for "damages" and then request you to pay us your percentage share. You agree to reimburse us for your share. By making such payments for "damages", we do not waive our right to recover your share of such payment(s).
- d. The application of this coinsurance provision does not erode the Limits of Insurance provided.

#### 7. Conditions

We have no duty to provide insurance under this Endorsement unless you and any involved insured have fully complied with Conditions contained in this Endorsement.

- a. For the purposes of the coverage provided by this endorsement, Paragraph **E. Liability And Medical Expenses General Conditions** is replaced by the following:

##### (1) Bankruptcy

Subject to exclusion 8., the bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Endorsement.

##### (2) Duties in Event of "Employment-Related Practices" or "Claims"

- (a) You must see to it that we are notified as soon as practicable of any specific "employment-related practices" which you believe may result in an actual "claim". Your belief must be reasonably certain as the result of specific allegations made by a potential claimant or such potential claimant's representative, or as the result of specifically identifiable injury sustained by a potential claimant. To the extent possible, notice should include:
  - (i) How, when and where such "employment-related practices" took place;
  - (ii) The names and addresses of any potential claimants and witnesses; and
  - (iii) The nature of any injury arising out of such "employment-related practices".

Notice of such "employment-related practices" is not notice of a "claim", but preserves any insured's rights to future coverage for subsequent "claims" arising out of such "employment-related practices" as described in the Basic Extended Reporting Period of **SECTION VII - EXTENDED REPORTING PERIODS**.

- (b) If a "claim" is received by any insured:
- (i) You must immediately record the specifics of the "claim" and the date received;
  - (ii) You and any other involved insured must see to it that we receive written notice of the "claim", as soon as practicable, but in any event we must receive notice either:
    - i. During the "policy period" or within thirty (30) days thereafter; or
    - ii. With respect to any "claim" first made during any Extended Reporting Period we provide under **SECTION VII -EXTENDED REPORTING PERIODS**, during such Extended Reporting Period,
 as a condition precedent for coverage under this insurance. Such notice must provide us with the same information as is required in item 1. immediately preceding; and
  - (iii) You and any other involved insured must:
    - i. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
    - ii. Authorize us to obtain records and other information;
    - iii. Cooperate with us in the investigation, settlement or defense of the "claim"; and
    - iv. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- (c) No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

### (3) Legal Action Against Us

No person or organization has a right under this Endorsement:

- (a) To join us as a party or otherwise bring us into a "claim" seeking "damages" from any insured; or
- (b) To sue us on this Endorsement unless all of its terms have been fully complied with.

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

### (4) Separation Of Insureds

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

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

- b. For the purposes of the coverage provided by this endorsement, Paragraph **E. Liability And Medical Expenses General Conditions** the following is added:

**(1) Representations**

By accepting this policy, you agree:

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

**(2) Payment of Deductibles and Coinsurance Amounts**

The first Named Insured shown in the Declarations is responsible for the payment of all deductible and coinsurance participation amounts.

**(3) When We Do Not Renew**

If we decide not to renew this insurance, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

Any State amendatory endorsement changing Nonrenewal Conditions for any part of this policy to which this Endorsement forms a part, shall also apply to this Endorsement.

- c. For the purposes of the coverage provided by this endorsement, Paragraph **H., Other Insurance**, of the **Common Policy Conditions** is replaced by the following:

**H. Other Insurance**

If other valid and collectible insurance is available to the insured for "damages" or "defense expense" we cover under this Endorsement, our obligations are limited as follows:

- 1. As this insurance is primary insurance, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in 2. below.
- 2. If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

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

**d. Common Policy Conditions**

The following additional conditions apply with respect to this Endorsement:

- a. The Common Policy Conditions contained in form **BP 00 03**; and
- b. Any applicable State amendments thereto.

**8. Extended Reporting Periods**

- a. We will provide Extended Reporting Periods, as described below, if:
  - (1) This insurance is cancelled or not renewed; or
  - (2) We renew or replace this Endorsement with insurance that:
    - (a) Has a Retroactive Date later than the date shown in the Declarations of this Endorsement; or
    - (b) Does not apply on a claims-made basis.

- b. Extended Reporting Periods do not extend the "policy period" or change the scope of coverage provided. They apply only to "claims" as the result of "employment-related practices" which occurred after the Retroactive Date, if any, shown in the Declarations and before the end of the "policy period". Once in effect, Extended Reporting Periods may not be cancelled.
- c. Extended Reporting Periods do not reinstate or increase the Limits of Insurance.
- d. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the "policy period" and lasts for:
  - (1) Five years with respect to "claims" arising out of "employment-related practices" which had been properly reported to us during the "policy period" in accordance with provision 1. of paragraph **B. Duties in Event of "Employment-Related Practices" or "Claims"**, under **SECTION VI - CONDITIONS**; and
  - (2) Sixty days with respect to "claims" arising from "employment-related practices" not previously reported to us.

The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

- e. A Supplemental Extended Reporting Period of twelve (12) months duration is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in paragraph **D.2.** above, ends. You must give us a written request for the endorsement within 30 days after the end of the "policy period". The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium when due. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
  - (1) The exposures insured;
  - (2) Previous types and amounts of insurance;
  - (3) Limits of Insurance available under this Endorsement for future payment of "damages" or "defense expense"; and
  - (4) Other related factors.

The additional premium will not exceed 200% of the annual premium for this Endorsement.

- f. The Supplemental Extended Reporting Period endorsement we issue shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period begins.

## 9. Liability and Medical Expense Definitions

- a. For the purposes of the coverage provided by this endorsement, Paragraphs **F.3.**, **F.4.**, **F.5.**, **F.10.**, and **F.19.**, of the **Liability and Medical Expense Definitions** are replaced by the following:
  - 3. "Bodily injury" means physical injury to the body, sickness or disease sustained by a person as the result of direct physical injury to the body, including death resulting from any of these at any time. "Bodily injury" does not include mental anguish that results from an "employment-related practice".
  - 4. "Coverage territory" means:
    - a. The United States of America (including its territories and possessions) and Puerto Rico; or
    - b. Anywhere in the world with respect to the activities of a person whose place of employment is in the territory described in 1. above, while he or she is away for a short time on your business;

provided that the insured's responsibility to pay "damages" is determined in a suit (or in any other type of civil proceeding as described under the definition of "claim") on the merits in, and under the substantive law of, the United States of America (including its territories and possessions) or Puerto Rico.

5. "Employee" means a person

- (1) Employed by you for wages or salary, or
- (2) Who is a current or former member of your board of directors.

But "employee" does not include any independent contractor, any employees of any independent contractor while acting within the scope of their employment, any "leased worker" or any "temporary worker".

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

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

b. For the purposes of the coverage provided by this endorsement, Paragraph **F. Liability and Medical Expense Definitions**, the following is added.

1. "Claim" means written or oral notice presented by:

- (a) Any "employee", "leased worker", "temporary worker", former "employee" or applicant for employment by you; or
- (b) The EEOC or any other Federal, state or local administrative or regulatory agency on behalf of such person in item 1. immediately preceding,

alleging that the insured is responsible for "damages" as a result of injury arising out of any "employment-related practices".

"Claim" includes any civil proceeding in which either "damages" are alleged or fact finding will take place, when either is the actual or alleged result of any "employment-related practice" to which this insurance applies. This includes:

- (a) An arbitration proceeding in which such "damages" are claimed and to which the insured submits with our consent;
- (b) Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent; or
- (c) Any administrative proceedings established under applicable federal, state or local laws as may be applicable to "employment-related practices" covered under this insurance.

2. "Damages" means monetary amounts to which this insurance applies and which the insured is legally obligated to pay as judgments or awards, or as settlements to which we have agreed in writing.

"Damages" include:

- (a) "Pre-judgment interest" awarded against the insured on that part of the judgment we pay,
- (b) To the extent allowed by law, any portion of a judgment or award that represents a multiple of the compensatory amounts or punitive or exemplary damages, and
- (c) "Legal fees" unless the "claim" is seeking solely equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money.

"Damages" do not include:

- (a) Civil, criminal, administrative or other fines or penalties;



- (b) Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money;
  - (c) "Legal fees" when solely equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money is sought; or
  - (d) judgments or awards because of acts deemed uninsurable by law.
3. "Defense expense" means payments allocated to a specific "claim" for its investigation, settlement, or defense, including:
- (a) Attorney fees and all other litigation expenses.
  - (b) The cost of bonds to appeal a judgment or award in any "claim" we defend. We do not have to furnish these bonds.
  - (c) The cost of bonds to release attachments, but only for bond amounts within the available limits of insurance. We do not have to furnish these bonds.
  - (d) Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of any "claim", including actual loss of earnings up to \$250 a day because of time off from work.
  - (e) Costs taxed against the insured in the "claim".
- "Defense expense" does not include:
- (a) Salaries and expenses of our employees or your "employees", other than:
    - (1) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim" for the defense of the insured; and
    - (2) The expenses described in 4. above; and
  - (b) Interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of **LIMITS OF INSURANCE**.
4. "Employment-related practices" means any of the following actual or alleged practices which are directed against any of your "employees", "leased workers", "temporary workers", former "employees" or any applicant for employment by you, and for which remedy is sought under any federal, state or local statutory or common civil employment law:
- (a) Wrongful refusal to employ a qualified applicant for employment;
  - (b) Wrongful failure to promote, or wrongful deprivation of career opportunity;
  - (c) Wrongful demotion, negligent evaluation, negligent reassignment or wrongful discipline;
  - (d) Wrongful termination of employment, including retaliatory or constructive discharge;.
  - (e) Employment related misrepresentation;
  - (f) Harassment, coercion, discrimination or humiliation as a consequence of race, color, creed, national origin, marital status, medical condition, gender, age, physical appearance, physical and/or mental impairments, pregnancy, sexual orientation or sexual preference or any other protected class or characteristic established by any applicable federal, state, or local statute; or
  - (g) Oral or written publication of material that slanders, defames or libels or violates or invades a right of privacy.
5. "Interrelated" means:
- (a) Having as a common nexus any fact, circumstance, situation, event, transaction or cause; or
  - (b) A series of related facts, circumstances, situations, events, transactions or causes.



6. "Legal fees" means attorneys fees, or expenses that the insured is legally obligated to pay as a result of an adverse judgment. "Legal fees" does not include cost of compliance with any equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money.
7. "Policy period" means the period stated in the Declarations of the policy of which this Endorsement forms a part including an extension after issuance of the policy for an additional period of less than 12 months. However:
  - (a) If this Endorsement is issued to be effective subsequent to the effective date of such policy, the "policy period" for the Endorsement will start with the effective date of the Endorsement; and
  - (b) If this Endorsement is cancelled prior to the expiration date of such policy, the "policy period" for this Endorsement will end with the cancellation date of the Endorsement.
8. "Pre-judgment interest" means interest added to a settlement, verdict, award or judgment based on the amount of time prior to the settlement, verdict, award or judgment, whether or not made part of the settlement, verdict, award or judgment.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - PROFESSIONAL SERVICES (REAL ESTATE AGENTS,  
INSURANCE AGENTS, TRAVEL AGENTS, FINANCIAL SERVICES,  
COMPUTER SOFTWARE, INSURANCE OPERATIONS)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Exclusion **B.1.j. Professional Services** in **Section II, Liability**, the following is added:

**j. Professional Services:**

- (10) Services while you are acting in a fiduciary or representative capacity including but not limited to Real Estate Agents, Insurance Agents and Travel Agents.
- (11) Financial services including but not limited to:
  - (a) Planning, administering or advising on investments, pensions, annuities or individual retirement plan, fund or account;
  - (b) The issuance or withdrawal of stocks, bonds or other securities;
  - (c) The trading of securities or commodities;
  - (d) Maintaining of financial accounts or records;
  - (e) Tax planning, tax advising or the preparation of tax returns.
- (12) Services in connection with the selling, licensing, franchising or furnishing of your computer software including electronic data processing programs, designs, specifications, manuals and instructions.
- (13) Services arising from insurance or related operations:
  - (a) with respect to any contract or treaty of insurance, reinsurance, suretyship, annuity endowment or employee benefit plan, including applications, receipts or binders:
    - (i) any obligation assumed by any Insured; or
    - (ii) the failure to discharge, or the improper discharge of, any obligation or duty, contractual or otherwise;
  - (b) due to membership in or contribution to any plan, pool, association, insolvency or guarantee fund or any similar fund, organization or association, whether voluntary or involuntary;
  - (c) due to the rendering or failure to render professional services in
    - (i) advising, inspecting, reporting, or making recommendations in the Insured's capacity as an insurance company, consultant, broker, agent or representative thereof;
    - (ii) effecting insurance, reinsurance or suretyship coverages;
    - (iii) investigating, defending or settling any claim under any contract of insurance, self-insurance, reinsurance or suretyship;
    - (iv) auditing of accounts or records of others;
    - (v) conducting an investment, loan or real estate department or operation;
    - (vi) acting in any capacity as a fiduciary or trustee for mutual funds, pension or welfare funds or other similar activities; or
    - (vii) performing any claim, investigative, adjustment, engineering or inspection service for a fee.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## IDENTITY THEFT ADMINISTRATIVE SERVICES AND EXPENSE COVERAGE

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

The following is added to **A. 5. Additional Coverages** in **Section I - Property**:

#### IDENTITY THEFT ADMINISTRATIVE SERVICES AND EXPENSE COVERAGE

We will provide "Identity Theft Administrative Services" and will reimburse up to \$25,000 for "Identity Theft Expenses" incurred by an "identity theft insured" as a direct result of any one "identity theft" in the "coverage territory" if all of the following requirements are met:

1. The personal identity of an "identity theft insured" under this policy was the subject of an "identity theft";
2. Such "identity theft" is first discovered by the "identity theft insured" during the policy period for which this Identity Theft Expense Coverage is applicable;
3. Such "identity theft" is reported to us as soon as practicable but in no event later than 60 days after it is first discovered by the "identity theft insured"; and
4. The "identity theft insured" reports the "identity theft" in writing to the appropriate law enforcement agency.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others, against an "identity theft insured" is considered to be one "identity theft", even if a series of acts continues into a subsequent policy period.

#### LIMITS

Regardless of the number of claims or "identity theft insureds", the most we will pay in the aggregate for all "Identity Theft Expenses" resulting from "identity theft" discovered during the policy period is \$25,000.

1. The \$25,000 Identity Theft Expense Limit shall be reduced by the amount of any payment made by us under the terms of this insurance. If the Identity Theft Expense Limit of Insurance is exhausted, we will have no further liability to pay for loss which may be discovered during the remainder of the policy period.
2. Any recovery made by us after settlement of a loss covered by this insurance shall not be used to increase or reinstate the Limit of Insurance.
3. "Identity Theft Administrative Services" is provided up to 12 consecutive months after service begins.
4. "Identity Theft Administrative Services" do not reduce the "Identity Theft Expense" Limit.

This "Identity Theft Administrative Service" and "Identity Theft Expense" Coverage are additional insurance.

#### EXCLUSIONS

The following additional exclusions apply to this coverage.

We do not provide "Identity Theft Administrative Services" or cover "Identity Theft Expenses":

1. Incurred as the result of "identity theft" due to any fraudulent, dishonest, or criminal act by you, your partners, employees, members, "executive officers", managers, directors, or trustees or by any authorized representative of yours, whether acting alone or in collusion with others.

In the event of any such act, no "identity theft insured" is entitled to "Identity Theft Expenses", even an "identity theft insured" who did not commit or conspire to commit the act causing the "identity theft".

2. Arising out of "identity theft" committed by or with knowledge of any relative or former relative of the "identity theft insured".
3. Arising out of an "identity theft" first discovered by the "identity theft insured" prior to the policy period or after the policy period, even if the "identity theft" began or continued during the policy period.
4. Arising out of an "identity theft" that is not reported to us within 60 days after it is first discovered by the "identity theft insured".

#### **DEDUCTIBLE**

1. There is no deductible applicable to the "Identity Theft Administrative Services".
2. We will not pay for "Identity Theft Expenses" resulting from an "identity theft" unless the amount exceeds \$250. We will then pay the amount of "Identity Theft Expense" in excess of the Deductible Amount, up to the Limit of Insurance. Each "identity theft insured" shall be subject to only one deductible during any one policy period.

#### **CONDITIONS**

The following additional conditions are added for "Identity Theft Administrative Services" and "Identity Theft Expenses" Coverage:

1. The coverage provided under this endorsement will be excess over any other insurance covering the same loss or damage, whether you can collect on it or not. But we will not pay any more than the Identity Theft Expense Limits of Insurance applicable to this coverage.
2. Reimbursement for "Identity Theft Expenses" will be made to the "identity theft insured."
3. "Identity Theft Administrative Services" will provide instructions on:
  - a. How to respond to a potential "identity theft";
  - b. How to submit a request for "Identity Theft Administrative Services"; and
  - c. Information needed for reimbursement of "Identity Theft Expenses".

We may provide "Identity Theft Administrative Services" prior to a final determination of "identity theft." However, if we determine there was not an "identity theft" these services will end and we will not have a right or duty to continue these services. Offering "Identity Theft Administrative Service" does not indicate an admission of liability under this policy.

4. Identify Theft Administrative Services. The following apply with respect to "Identity Theft Administrative Services":
  - a. Services will depend on the cooperation, permissions, and assistance provided by the "identity theft insured";
  - b. There is no warranty or guarantee that "identity theft" issues will end and it will not prevent future "identity theft" incidences; and
  - c. All services may not be offered or applicable to all "identity theft insureds." For example, minors may not have credit reports available to be monitored.

#### **DEFINITIONS**

With respect to the provisions of this endorsement only, the following definitions are added:

1. "Coverage Territory" means:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.
2. "Executive officers" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

3. "Identity theft" means the act of knowingly transferring or using, without lawful authority, a means of identification of an "identity theft insured" with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law. "Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
4. "Identity Theft Expenses" means the following reasonable and necessary items incurred as a result of "identity theft":
- a. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
  - b. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
  - c. Costs for obtaining credit reports.
  - d. Charges incurred for long distance telephone calls to merchants, vendors, suppliers, customers, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity theft".
  - e. Application fees for re-applying for a loan, or loans when the original application is rejected solely because the lender received incorrect credit information as a result of a covered "identity theft."
  - f. Lost income resulting from time taken off from work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum of \$250 per day. Total payment for loss of income is not to exceed \$5,000 per "identity theft insured" and is included within the "Identity Theft Expenses" and aggregate limits.
  - g. Attorney fees to:
    - i. Defend lawsuits brought against an "identity theft insured" by merchants, vendors, suppliers, financial institutions, or their collection agencies.
    - ii. Remove any criminal or civil judgments wrongly entered against an "identity theft insured"; and
    - iii. Challenge the accuracy or completeness of any information in a consumer credit report.
  - h. Advertising expenses to restore the reputation of your business after an "identity theft insured" has been the victim of "identity theft". Total payment for advertising expenses is not to exceed \$5,000 per "identity theft insured" and is included within the "Identity Theft Expenses" and aggregate limits.
5. "Identity Theft Administrative Services" means one or more individuals assigned by us to the "identity theft insured" to assist with the communication needed to re-establish the integrity of the "identity theft insured's" identity, including with the "identity theft insured's" permission and cooperation, written and telephone communication with law enforcement authorities, government agencies, credit agencies, and individual creditors and businesses.
6. "Identity theft insured" means the following if you are designated in the Declarations as:
- a. An individual or sole proprietorship, you and your spouse are insureds.
  - b. A partnership or joint venture, your members, your partners, and their spouses are insured's.
  - c. A limited liability company, your members are insured's.
  - d. An organization other than a partnership, joint venture, or limited liability company, your "executive officers" and directors are insureds. Your stockholders are not "identity theft insureds."

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

## **BUSINESS PERSONAL PROPERTY LIMIT - AUTOMATIC INCREASE**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

The following is added to Part **C. Limits of Insurance** of **Section I - Property**, of the Businessowners Coverage Form:

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

- a.** In accordance with Paragraph C.6.b., the Limit of Insurance for Business Personal Property will automatically increase by 2%, unless a different percentage of annual increase applicable to Business Personal Property is shown in the Declarations.
- b.** The amount of increase is calculated as follows:
  - (1)** Multiply the Business Personal Property limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Business Personal Property limit by:
    - (a)** the percentage of annual increase applicable to Business Personal Property shown in the Declarations, expressed as a decimal (example: 2% is .02); or
    - (b)** .02, if no applicable percentage of annual increase is shown in the Declarations; and
  - (2)** Multiply the number calculated in accordance with **b.(1)** by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Business Personal Property limit, divided by 365.

Example:

If:

The applicable Business Personal Property limit is \$100,000.

The Automatic Increase Business Personal Property is 2%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is

**\$100,000 x .02 x 146 ÷ 365 = \$800.**

POLICY NUMBER:

BUSINESSOWNERS

BP 88 89 07 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**HIRED AUTO AND NON-OWNED AUTO LIABILITY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

Coverage	Additional Premium
<b>A. Hired Auto Liability</b>	\$
<b>B. Non-owned Auto Liability</b>	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A.** Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule.

**1. Hired Auto Liability**

The insurance provided under Paragraph **A.1. Business Liability** in **Section II - Liability** applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

**2. Non-owned Auto Liability**

The insurance provided under Paragraph **A.1. Business Liability** in **Section II - Liability** applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person.

**B.** For insurance provided by this endorsement only:

**1.** The exclusions under Paragraph **B.1. Applicable To Business Liability Coverages** in **Section II - Liability**, other than Exclusions **a., b., d., f. and i.** and the **Nuclear Energy Liability Exclusion**, are deleted and replaced by the following:

**a.** "Bodily injury" to:

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

**(a)** Employment by the insured; or

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

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

This exclusion applies:

**(1)** Whether the insured may be liable as an employer or in any other capacity; and

**(2)** To any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to:

**(1)** Liability assumed by the insured under an "insured contract"; or

**(2)** "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any worker's compensation law.

**b.** "Property damage" to:

**(1)** Property owned or being transported by, or rented or loaned to the insured; or

**(2)** Property in the care, custody or control of the insured.



2. Paragraph **C. Who Is An Insured** in **Section II - Liability** is replaced by the following:

1. Each of the following is an insured under this endorsement to the extent set forth below:
  - a. You;
  - b. Any other person using a "hired auto" with your permission;
  - c. For a "non-owned auto":
    - (1) Any partner or "executive officer" of yours; or
    - (2) Any "employee" of yours; but only while such "non-owned auto" is being used in your business; and
  - d. Any other person or organization, but only for their liability because of acts or omissions of an insured under **a.**, **b.** or **c.** above.
2. None of the following is an insured:
  - a. Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
  - b. Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;

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

**C.** For the purposes of this endorsement only, Paragraph **H. Other Insurance** in **Section III - Common Policy Conditions** is replaced by the following:

This insurance is excess over any primary insurance covering the "hired auto" or "non-owned auto".

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

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

# **EXHIBIT E**



Liberty Mutual Insurance  
Business Lines Property Claims  
PO Box 515097  
Los Angeles, CA 90051-5097  
(407) 430-4760  
James.longley@libertymutual.com

May 8, 2020

Siren Salon, Inc.  
3143 N Lincoln Ave  
Chicago, IL 60657-3111

Re:	Insured:	Siren Salon, Inc.
	Loss Location:	3143 N Lincoln Ave, Chicago, IL 60657-3111
	Date of Loss:	03/20/2020
	Policy Number:	BZS (21) 56 35 09 71
	Policy Effective Dates:	01/10/2020 – 01/10/2021
	Claim Number:	23813299
	Underwriting Co.:	Ohio Security Insurance Company

Dear Christine Yoshimura,

This letter is to inform you that we have conducted an investigation of your claim for the reported loss of income due to the Mandatory closings of business ordered by Illinois' Governor per growing public health concerns driven by the Coronavirus (COVID-19). We have completed our review of the information provided by you or on your behalf. The following is a summary of our findings and position on coverage for the claim asserted.

The insurance policy issued to Siren Salon, Inc provides coverage subject to the policy terms and conditions. Based on our investigation and review of the policy, there is no coverage available for your loss as outlined below.

## THE CLAIM

Our first notice of loss was on or about 05/04/2020. It was reported that on 03/19/2020, Illinois' governor ordered all non-essential business shut down. Because your business was not considered to be essential, you did not re-open on 03/20/2020. As a result, you have suffered a loss of income due to growing public health concerns of the Coronavirus (COVID-19) resulting in loss of income.

Our investigation of your claim also revealed the following relevant information:

- On 3/19/2020 Illinois' Governor issued a stay at home order.
- Because of the business closure, loss of income is being claimed
- You stated there was no direct physical damage to the building or business personal property

- There is no indication that any order was issued due to direct physical loss of or damage to property other than property at the described premises, nor was there physical damage reported to the described premises from a Covered Cause of Loss

## THE POLICY

With regard to your Policy, we refer you to the following relevant provisions contained in the BUSINESSOWNERS COVERAGE FORM BP 00 03 (7/13) which states:

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

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

\*\*\*

### SECTION I – PROPERTY

#### A. Coverage

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

\*\*\*

#### 3. Covered Causes Of Loss

**Direct physical loss unless the loss is excluded or limited under Section I – Property.**

\*\*\*

#### 5. Additional Coverages

\*\*\*

#### f. Business Income

##### (1) Business Income

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

\*\*\*

#### i. Civil Authority

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

- (1) Access to the area immediately surrounding the damaged property is prohibited by

civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

\*\*\*

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

\*\*\*

## **B. Exclusions**

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

\*\*\*

### **j. Virus Or Bacteria**

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

\*\*\*

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

### **b. Consequential Losses**

Delay, loss of use or loss of market.

\*\*\*

### **j. Pollution**

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

\*\*\*

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

Paragraphs a. through c. But if an excluded cause of loss that is listed in Paragraphs a. through c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

\*\*\*

**b. Acts Or Decisions**

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

\*\*\*

**H. Property Definitions**

\*\*\*

8. "Operations" means your business activities occurring at the described premises.

\*\*\*

10. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

\*\*\*

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**APPLICATION OF POLICY**

In an effort to alert you to the basis of the denial of coverage, we list below the grounds under which all aspects of the claim are not covered under the policy. It is our intent to incorporate by reference all of the terms of the policy through this denial of coverage letter. Based upon the information available to date, the grounds for the denial of coverage under the policy, or under applicable law, with respect to the claim, include, but are not limited to, the following:

The policy provides Business Income coverage when there is a suspension of your operations at the described premises and results from a covered cause of loss. The closing of business resulting in a loss of income is not related to any direct physical damage to the business personal property or the building. The Civil Authority Additional Coverage is only applicable when access to the described premises is prohibited when there is direct physical damage to other property, not on the described premises, from a covered cause of loss. The closing of business was not due to physical loss or damage nor did it prohibit access to the described premises. It was issued to limit the spread of Coronavirus (COVID-19). The policy specifically excludes losses caused by or resulting from a virus.

Based on the above we find no coverage under the terms and conditions of your policy for the costs claimed in connection with your asserted claim and therefore deny your claim. In view of the absence of coverage, we make no comment relative to the amount of loss or damage but include those issues within the rights reserved.

If you have any questions about the content of this letter or the terms and provisions of your policy of insurance, please do not hesitate to call me.

The foregoing is not intended to waive any defenses which are now, or which may hereafter become available to us. The foregoing does not constitute a waiver of any term, condition, or exclusion of the insurance policy or any rights and defenses under the policy, and we hereby expressly reserve all of our rights and defenses thereunder.

It is also our duty to advise you that this letter concludes the handling of your claim. As such, your attention is drawn to the Business Coverage Form BP 00 03 (07/13) and contains the following provisions;

\*\*\*

#### **E. Property Loss Conditions**

##### **4. Legal Action Against Us**

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

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date on which the direct physical loss or damage occurred.

We then refer you to the following relevant policy language from BUSINESSOWNERS FORM BP 01 54 (01/18) which states:

#### **ILLINOIS CHANGES**

This endorsement modifies insurance provided under the following:

#### **BUSINESSOWNERS COVERAGE FORM INFORMATION SECURITY PROTECTION ENDORSEMENT**

\*\*\*

B. Section I - Property is amended as follows:

\*\*\*

3. The following is added to Paragraph E.4. Legal Action Against Us Property Loss Condition:

The two-year period for legal action against us is extended by the number of days between the date the proof of loss is filed with us and the date we deny the claim in whole or in part.

\*\*\*

If there is anything inaccurate in this letter, please let us know immediately. My direct phone number is (407) 430-4760 if you have any questions.



Sincerely,

*James Longley*

CAT Inside Res Spec I

Cc: Assurance Agency  
20 N Martingale Rd Ste 100  
Schaumburg, IL 60173-2423

Part 919 of the Rules of the Illinois Department of Insurance requires that our company advise you that if you wish to take this matter up with the Illinois Department of Insurance, it maintains a

Consumer Division in Chicago at:  
122 S Michigan Ave., 19th Floor  
Chicago, IL 60603

Or

in Springfield at:  
320 West Washington Street  
Springfield, IL 62767