

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

MICHAEL MILAN, DDS, d/b/a BIRMINGHAM
CENTER FOR COSMETIC DENTISTRY, Case No.: 20-cv-3

Plaintiff,

vs

THE CINCINNATI INSURANCE COMPANY,

Defendant.

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**COMPLAINT FOR DECLARATORY ACTION, DAMAGES, AND
OTHER RELIEF AND DEMAND FOR JURY TRIAL**

Plaintiff Mitchell Milan DDS dba Birmingham Center for Cosmetic
Dentistry ("Plaintiff"), for his Complaint against Defendant The Cincinnati

Insurance Company, (“Defendant”), states and alleges as follows:

Parties, Jurisdiction, and Venue

1. This is a declaratory judgment action brought under, inter alia, Fed. R. Civ. P. 57 and Mich. Comp. Laws §500.2006 seeking damages under a business insurance policy.

2. Plaintiff Mitchell Milan DDS d/b/a Birmingham Center for Cosmetic Dentistry (hereinafter “Plaintiff”) is an individual operating a business under an assumed name, with his place of business in Oakland County, Michigan.

3. Defendant The Cincinnati Insurance Company (hereinafter “Defendant”) is a foreign insurance company with its principal place of business in Cincinnati, Ohio and doing business at all times in Oakland County and Wayne County Michigan.

4. Pursuant to 28 U.S.C. §1332, this Court has original jurisdiction over this civil action in that it involves a controversy between citizens of different States and the amount in controversy exceeds \$75,000.00.

5. Venue is proper and appropriate in this District under 28 U.S.C. §1391 because Defendant conducts business in this District, because the action concerns breach of contract formed under and subject to the laws of the State of Michigan, and because the property that is the subject of this civil action is situated in this District.

General Allegations

6. Plaintiff operates a dental office in the State of Michigan that provides various types of dental services, ranging from general dentistry to cosmetic dentistry at his dental office located in the City of Birmingham, County of Oakland, and State of Michigan.

7. The dental office is located in a high rise building in the heart of Birmingham, Michigan. The building has a variety of commercial tenants and full-time apartment residents.

8. Dr. Milan has multiple staff members that physically work in his office and reside in counties with high numbers of positive Covid-19 testing results. Plaintiff's employees primarily reside in Oakland County, Wayne County, and Macomb County in the State of Michigan. All dental work and procedures are performed in the Birmingham, Michigan office.

9. The office serves patients from throughout the State of Michigan, but the largest percentage of patients reside in Oakland County, Wayne County, and Macomb County.

10. Defendant Cincinnati Insurance Company ("Cincinnati") is a foreign corporation that that insures businesses, including dental offices, throughout the United States and including in Michigan.

11. Plaintiff purchased an all-risk commercial property insurance policy,

Policy No. ECP 0342108, from Defendant to protect the business in the event of property loss and business interruption for the period of August 1, 2018 to August 1, 2021 (“the Policy”). Among other coverages, the Policy provides business income coverage in the amount of the actual loss sustained over a maximum period of 12 months.

12. COVID-19 and the resulting response by state and local governments caused physical loss of Plaintiff’s property and have interrupted Plaintiff’s business. Yet, Defendant has refused to honor its promise to provide the protection that Plaintiff purchased.

13. Plaintiff’s policy with Defendant did not have virus exclusions and exemplifies the broken promise from insurance companies across the country.

14. As a result of COVID-19 and Stay at Home Orders (as defined below), Plaintiff was forced to greatly reduce operations.

15. This is an action for declaratory judgment and breach of contract damages arising from Defendant’s refusal to pay claims related to COVID-19 as required by its property insurance agreements it sold to Plaintiff.

16. The novel coronavirus – named “severe acute respiratory syndrome coronavirus 2” or “SARS-CoV2” – has spread widely and rapidly across the United States and the world. The illness related to SARS-CoV-2 is “novel coronavirus disease 2019,” commonly abbreviated to “COVID-19.” Although the

virus and the related illness are distinct, for purposes of this Complaint, Plaintiff refers to both interchangeably as “COVID-19.”

17. Over 170,000 Americans have died of COVID-19 as of the date of this filing, according to the Centers for Disease Control and Prevention (“CDC”). Some studies suggest that the number of infected persons is a significantly greater number than confirmed cases.

18. The State of Michigan has over 93,000 Covid-19 cases and over 6,300 confirmed deaths caused by the virus. The majority of cases in Michigan are residents in Oakland County, Wayne County, and Macomb County.

19. A growing body of evidence suggests that the virus transmits both through droplets, when someone sneezes and coughs, and aerosols, which are produced by normal breathing.

20. Aerosols are particularly concerning because unlike droplets, which stay airborne for only a few seconds, aerosols are water droplets suspended in air and can remain suspended for hours, until gravity ultimately forces them to the nearest surface below.

21. Consequently, aerosols can spread widely through air flow and settle on surfaces hundreds of feet away from any infected individual. Thus, someone not even in the vicinity of an infected person can unknowingly touch an infected surface, later touch their face, and become infected.

22. According to the CDC, everyone is at risk of getting COVID-19. The virus can spread by respiratory droplets when an infected person coughs, sneezes, or talks. A person can become infected from respiratory droplets or potentially by touching a surface or object that has the virus on it and then by touching the mouth, nose, or eyes.¹ The virus can live on surfaces for several days if not longer.²

23. In addition, some scientific publications have reported finding COVID-19 in the air. The New England Journal of Medicine reported finding that experimentally produced aerosols containing the virus remained infectious in tissue-culture assays, with only a slight reduction in infectivity during a 3-hour period of observations. “Aerosols from infected persons may therefore pose an inhalation threat even at considerable distances and in enclosed spaces....”³

24. A consensus appears to be emerging that COVID-19 can travel through the air via aerosols. For example, aerosol scientist Lidia Morawska of the Queensland University of Technology in Brisbane, Australia told *Nature* that, “In the minds of scientists working on this, there’s absolutely no doubt that the virus

¹<https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/how-covid-spreads.html>, last retrieved on August 11, 2020. See <https://www.cdc.gov/coronavirus/2019-ncov/downloads/2019-ncov-factsheet.pdf>, last retrieved August 11, 2020.

²<https://www.health.harvard.edu/diseases-and-conditions/covid-19-basics>, last retrieved August 11, 2020.

³<https://www.nejm.org/doi/full/10.1056/NEJMc2009324>, last retrieved August 11, 2020.

spreads in the air. This is a no-brainer.”⁴

25. An April 2020 study published in the journal *Emerging Infectious Diseases* found a wide distribution of COVID-19 on surfaces and in the air about *13 feet* from patients in two hospital wards in Wuhan, China, leading the authors to conclude that the virus spreads in aerosols in addition to large respiratory droplets. The investigators found evidence of the virus in swabs of floors, computer mice, trash bins, bed handrails, patients’ face masks, health workers’ personal protective equipment, and air vents.⁵

26. The authors also surmised that the high rate of positivity for floor samples in the hospital strongly suggest that droplets fall to the ground and then are spread via patients’ shoes. For example, every sample tested from the pharmacy floor tested positive for COVID-19 even though no patients were housed there.⁶

27. Another study conducted in Wuhan indicates that staff movement, floor cleaning, and the removal of personal protective equipment could transmit the virus through the re-suspension of virus-contaminated aerosols.⁷

28. Kimberly Prather, an aerosol chemist at the University of California,

⁴<https://www.nature.com/articles/d41586-020-00974-w>, last retrieved August 11, 2020.

⁵<https://www.cidrap.umn.edu/news-perspective/2020/04/study-finds-evidence-covid-19-air-hospital-surfaces>, last retrieved August 11, 2020.

⁶<https://www.cidrap.umn.edu/news-perspective/2020/04/study-finds-evidence-covid-19-air-hospital-surfaces>, last retrieved August 11, 2020.

San Diego told *Science* magazine: “I’m relieved to see aerosolization is accepted. This added airborne pathway helps explain why it is spreading so fast.”⁸

29. Aerosol particles are held in the air by physical and chemical forces. The suspended particles remain for *hours or more*, depending on factors such as heat and humidity. If virus particles can be suspended in air for more than a few seconds, like, for instance, the measles virus can, then anyone passing through could become infected by a pathogenic aerosol cloud. And the virus can travel long distances and land on surfaces, only to be stirred back up into the air later by cleaning or other disturbances.

30. The SARS virus that caused a 2003 epidemic is a coronavirus and is similar to COVID-19. As a result, the behavior of SARS during the 2003 epidemic provided evidence about any aerosol risk from COVID-19.

31. A 2014 analysis published in the journal *Clinical Infectious Diseases* investigated a seemingly puzzling outbreak in a Hong Kong apartment complex whose residents had not been in close contact with each other.⁹ The study found that “airborne spread was the most likely explanation, and the SARS coronavirus could have spread over a distance of 200 meters,” or about 600 feet.¹⁰

⁷<https://www.biorxiv.org/content/10.1101/2020.03.08.982637v1>, last retrieved August 11, 2020.

⁸<https://www.sciencemag.org/news/2020/04/you-may-be-able-spread-coronavirus-just-breathing-new-report-finds>, last retrieved August 11, 2020.

⁹<https://academic.oup.com/cid/article/58/5/683/365793>, last retrieved August 11, 2020.

¹⁰*Id.*

32. The implications of airborne spread of the virus are extremely serious. Airborne spread means that the virus can travel long distances from any infected person. It can then infect someone who unknowingly walks through a pathogenic cloud. It can also infect someone by settling on a physical surface, which someone touches and later becomes infected. And regardless of the transmission method, the evidence suggests that COVID-19 can be transmitted by shoes even once it reaches the ground.

33. State and local governments have determined that without the Stay at Home Orders, COVID-19 could spread rampant throughout the community.

34. In an effort to combat the virus and slow the spread of COVID-19, Governor of the State of Michigan, Gretchen Whitmer, issued multiple Executive Orders, including No. 2020-04 that Declared a State of Emergency throughout the State of Michigan. Subsequent Executive Orders were issued restricting entry into health care facilities, including EO 2020-06 and EO 2020-07. EO 2020-21 imposed a variety of temporary restrictions on activities not necessary to sustain or protect life which were commonly referred to as the “Stay at Home Order,” “Stay Home, Stay Safe” or “shelter in place” restrictions. These orders, the orders extending their duration, and related actions of the State and local government required residents to stay at home except to perform “essential” activities, like shopping for food, picking up prescription medications, and seeing the doctor for

urgent treatment.

35. Governor Whitmer issued EO 2020-17 which contained restrictions for dental practices, such as Mitchell Milan DDS dba Birmingham Center for Cosmetic Dentistry. EO 2020-17 expressly provided willful violation of its provisions was a misdemeanor under Michigan law. EO 2020-17 states in part:

A plan for a covered facility that performs dental procedures must postpone, at a minimum: any cosmetic or aesthetic procedures (such as veneers, teeth bleaching, or cosmetic bonding); any routine hygiene appointments; any orthodontic procedures that do not relieve pain or infection, do not restore oral function, or are not trauma-related; initiation of any crowns, bridges, or dentures that do not relieve pain or infection, do not restore oral function, or are not trauma-related; any periodontal plastic surgery; any extractions of asymptomatic non-carious teeth; and any recall visits for periodontally healthy patients. If a covered facility that performs dental procedures chooses to remain open, its plan must exclude from postponement emergency or trauma-related procedures where postponement would significantly impact the health, safety, and welfare of the patient.

36. Based upon the nature of Plaintiff's professional dental practice, EO 2020-17 restricted access into the business and prevented the performance of non-urgent dentistry procedures from the March 21, 2020 at 5:00 p.m. of the Executive Order to the date of the lifting of the restrictions. Plaintiff's business has not returned to full capacity at pre-COVID-19 levels.

37. The government directives required businesses deemed "non-essential" to be closed and in-person work is not permitted. But even businesses

classified as “essential” have been severely impacted by the pandemic. For example, “essential” businesses have had to increase the frequency of cleaning, reduce hours, install new protective barriers between employee and customer, provide personal protective equipment to its workforce and prohibit customers from entering their facilities. But even with those precautions, many such business have had great difficulty retaining employees who fear becoming infected at work and have a decrease in patient services and procedures due to the fear of infection at a dental office.

38. In addition, the American Dental Association (“ADA”),¹¹ CDC,¹² and the State of Michigan¹³ stated that dentists should restrict their practices to urgent and emergency care treatments, which should be treated as minimally invasively as possible.

39. Plaintiff began limiting their services to emergency care only starting on or about March 21, 2020, and reopened when permitted, in accordance with the Executive Orders, Stay at Home Orders and the guidance from the ADA and CDC. This has had a devastating effect on Plaintiff’s business. Plaintiff is no longer

¹¹<https://www.ada.org/en/press-room/news-releases/2020-archives/march/ada-calls-upon-dentists-to-postpone-elective-procedures>, last retrieved August 11, 2020. See also <https://www.ada.org/en/press-room/news-releases/2020-archives/may/as-dental-practices-resume-operations-ada-offers-continued-guidance>, last retrieved August 11, 2020.

¹²<https://www.cdc.gov/oralhealth/infectioncontrol/statement-COVID.html>, last retrieved August 11, 2020.

¹³https://www.michigan.gov/documents/coronavirus/HHS_Dental_Practice_COVID-

permitted to perform cosmetic dentistry and elective procedures which made up the vast majority of his business. As a result, Plaintiff has significantly reduced his operations to non-urgent dental work.

40. By the nature of Plaintiff's professional dental practice, EO 2020-17 restricted access into the business and prevented the performance of dentistry procedures. Plaintiff's business suffered financial losses due to this, and other, Executive Orders.

41. Also, with respect Plaintiff's claim under the Civil Authority coverage, the same analysis applies as stated above. The Governor of the State of Michigan issued Executive Orders which prohibit access to the insured property or, at the very least, significantly restricts access to the insured property. These orders also recognize the damage to the health and safety of persons, as well as to property damage, caused by the coronavirus. Beginning with EO 2020-21 and extended numerous times, "shelter in place" orders were issued as a direct result of the physical spread of COVID-19 in Plaintiff's community, which was causing physical loss or damage to Plaintiff's property or other properties nearby.

42. It is likely customers, employees, and/or other visitors to the insured property over the months prior to, during, and after the government shutdown were infected with the coronavirus and thereby caused physical loss and damage

[19 Guidance 684138 7.pdf](#), last retrieved August 11, 2020.

to the property.

43. The transmission of COVID-19, Executive Orders, and the Stay at Home Orders have adversely affected Plaintiff's business. For example, dentists, patients, and employees could not access the property due to the Executive Orders and the Stay at Home Orders or fear of being infected with or spreading COVID-19 or subjected to penalties under Michigan law.

44. But Plaintiff, like countless other small businesses, prepared for an unexpected event like the COVID-19 pandemic. Specifically, Plaintiff purchased property insurance from Defendant, that did not exclude pandemic coverage. A true and accurate copy of the Policy purchased by Plaintiff is attached hereto as **Exhibit A – Policy**.

45. Although the Policy defines "loss" as "physical loss or accidental physical damage," Michigan case law holds that physical damage was not a prerequisite to benefits under a business interruption policy when a civil authority order limited access to the property. Compare **Exhibit A** at Business Income (and Extra Expense) Coverage Form FA 213 05 18, Section F. Definitions, 6. Loss, page 9 of 9 with *Southland Bowl, Inc. v Lumberman's Mutual Insurance Co.*, 208 N.W. 2d 569 (Mich. App. 1973).

46. The Policy is an all-risk or open peril policy, meaning the Policy cover all direct loss unless the loss is expressly excluded. **Exhibit A** at Building

and Personal Property Coverage Form FM 101 05 16, Section A. Coverage, 3.

Covered Causes of Loss, a. Covered Causes of Loss, page 5 of 40.

47. As set forth below, the Policy also provides coverage for:

- a. losses sustained due to the necessary interruption of business conducted by the Plaintiff and caused by direct physical loss or damage (“Business Income” coverage) (**Exhibit A** at Business Income (and Extra Expense) Coverage Form FA 213 05 18, Section A. Coverage, 1. Business Income, page 1 of 9);
- b. extra expenses necessarily incurred to minimize interruption of business and to continue operations (“Extra Expense” coverage) (*id.* at Section A. Coverage 2. Extra Expense, page 1-2 of 9); and
- c. interruption of business caused by an order from a civil authority (“Civil Authority” coverage) (*id.* at Section A. Coverage 5. Additional Coverages, b. Civil Authority, page 2-3 of 9).

48. Plaintiff timely submitted a claim to Defendant requesting payment of insurance benefits pursuant to the provisions of the policy and substantially complied with all the requirements of Defendant’s policy of insurance and applicable Michigan law, in making his claim for insurance proceeds, resulting from said loss.

49. Plaintiff inquired whether Defendant’s insurance adjuster, Jerry E. Brooks, Senior Claims Specialist, needed additional information from Plaintiff to support his claim and was advised that such information was not being requested.

50. On or about June 8, 2020, in response to Plaintiff’s notice of claim,

Defendant improperly and unlawfully denied coverage and refused to cover Plaintiff's COVID-19 losses. Defendant indicated it was refusing to pay any money for the covered benefits. (**Exhibit B** – Denial Letter).

51. The Policy does not exclude or limit coverage for losses from COVID-19 or pandemics.

52. The risk of a virus like COVID-19 was foreseeable to, if not foreseen by, insurance companies like the Defendant. The Insurance Services Office ("ISO"), an organization that provides policy writing services to insurers, has recognized for years that a virus can constitute physical damage to property. Specifically, in 2006, it announced the submission of an "exclusion of loss due to disease-causing agents such as viruses and bacteria." A copy of ISO's July 6, 2006 Circular is attached hereto as **Exhibit C** and contains ISO's standard form virus or bacteria exclusion.

53. In issuing its Circular, ISO expressly noted that, notwithstanding the inclusion in policies of a broadly-worded exclusion for pollutants, "viral and bacterial contamination are specific types that appear to warrant particular attention at this point in time." *Id.*

54. In connection with circulating the virus exclusion, ISO sent the following statement to state insurance regulators:

Disease-causing agents may render a product impure (change its quality or substance), or enable the spread of

disease by their presence on interior building surfaces or the surfaces of personal property. When disease-causing viral or bacterial contamination occurs, potential claims involve the cost of replacement of property (for example, the milk), cost of decontamination (for example, interior building surfaces), and business interruption (time element) losses. Although building and personal property could arguably become contaminated (often temporarily) by such viruses and bacteria, the nature of the property itself would have a bearing on whether there is actual property damage. An allegation of property damage may be a point of disagreement in a particular case. *Id.*

55. Despite the availability of a specific exclusion for viruses, Plaintiff's Policy contains no relevant exclusion. Nor does Plaintiff's Policy contain an exclusion for "pandemics," "communicable disease," or anything similar.

56. Because damage due to viruses constitutes loss under the Policy and/or the Stay at Home Orders, Plaintiff has suffered the loss of use of the premises for its intended purpose, Plaintiff's loss is covered under the Policy.

57. The Policy provides coverage for several different types of losses arising from COVID-19 that are relevant here through specific Coverage Extensions.

58. Defendant is obligated to pay for actual loss of "**Business Income**" sustained due to direct physical loss or damage. **Exhibit A** at Business Income (and Extra Expense) Coverage Form FA 213 05 18, Section A. Coverage, 1. Business Income, page 1 of 9. Such losses are defined as actual losses. *Id.* Plaintiff has suffered lost business income because he has reduced operations of

his business due to COVID-19.

59. Defendant also agreed to pay for “**Extra Expense.**” *Id.* at Section A. Coverage 2. Extra Expense, page 1-2 of 9. Plaintiff has suffered Extra Expenses because he has suspended operations due to COVID-19 to prevent physical damages to the premises by the presence or proliferation of the virus and the physical harm it could cause persons present there.

60. Defendant also agreed to provide coverage from an interruption to business caused by an order from a “**Civil Authority.**” *Id.* at Section A. Coverage 5. Additional Coverages, b. Civil Authority, page 2-3 of 9. Specifically, Defendant agreed to pay for “actual loss sustained” when access to the covered property is prohibited by order of civil authority. *Id.* Access has been restricted to the Plaintiff’s property due to the presence and threat of COVID- 19 as customers have been prohibited from entering the office.

61. Plaintiff has taken such steps by, for example, complying with the Stay-at-Home Orders.

62. Losses caused by COVID-19 and the related state and local Stay at Home Orders triggered these provisions of Defendant’s Policy. Specifically, Plaintiff’s full operations have been largely suspended, and Plaintiff has lost revenue and business opportunities.

63. Plaintiff submitted claims to Defendant for coverage under the

Policy, but Defendant has denied Plaintiff's claim. **Exhibit B.**

Count I: Declaratory and Injunctive Relief – Business Income

64. The preceding paragraphs are incorporated by reference as if fully alleged herein.

65. The Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, allows this Court to declare the rights and other legal relations of the parties to this dispute.

66. An actual controversy has arisen and now exists between Plaintiff, on the one hand, and Defendant, on the other hand, concerning the respective rights and duties of the parties under the Policy.

67. Plaintiff contends that Defendant has breached the Policy in the following respects:

- a. Plaintiff suffered loss covered by the Business Income coverage in the Policy.
- b. Defendant is obligated to pay Plaintiff for that loss.
- c. Defendant has failed to pay Plaintiff for that loss.

68. Plaintiff therefore seeks a declaration of the parties' respective rights and duties under the Policy and request the Court declare the aforementioned conduct of Defendant unlawful and in material breach of the Policy so that future controversies may be avoided.

69. Pursuant to a declaration of the parties' respective rights and duties

under the policy, Plaintiff further seeks an injunction enjoining Defendant (1) from continuing to engage in conduct in breach of the Policy in regards to coverage decisions under the Business Income coverage in the Policy; and (2) ordering Defendant to comply with the terms of the Policy in regards to coverage decisions.

Count II: Breach of Contract – Business Income

70. The preceding paragraphs are incorporated by reference as if fully alleged herein.

71. Plaintiff purchased a property coverage insurance policy from Defendant.

72. The Policy is a valid and enforceable contract between Defendant and Plaintiff.

73. Plaintiff substantially performed his obligations under the terms of the Policy including giving Defendant timely notice of the claim. Alternatively, Defendant has waived any terms or conditions of coverage and may not assert any term or condition in the Policy as a defense to liability beyond the terms or conditions set forth in Defendant's letter of June 8, 2020.

74. Plaintiff has sustained a loss under the Business Income coverage in the Policy arising from the COVID-19 virus and associated Stay at Home orders.

75. Defendant has not agreed to pay the claim for Business Income or

requested a proof of loss and has denied coverage.

76. Defendant has unlawfully denied claims for Business Income related to COVID-19 in breach of the policy.

77. As a direct and proximate result of Defendant's breaches, Plaintiff sustained damages in an amount to be determined at trial or through appraisal.

78. Plaintiff has also suffered and continues to suffer additional consequential damages that were within the reasonable contemplation of the parties when they entered into the contract of insurance or that were the natural consequence of Defendant's breach of the contract of insurance.

Count III: Declaratory and Injunctive Relief – Civil Authority

79. The preceding paragraphs are incorporated by reference as if fully alleged herein.

80. The Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, allows this Court to declare the rights and other legal relations of the parties to this dispute.

81. An actual controversy has arisen and now exists between Plaintiff, on the one hand, and Defendant, on the other hand, concerning the respective rights and duties of the parties under the Policy.

82. Plaintiff contends that Defendant has breached the Policy in the following respects:

- a. Plaintiff suffered loss covered by the Civil Authority coverage in the Policy.
- b. Defendant is obligated to pay Plaintiff for that loss.
- c. Defendant has failed to pay Plaintiff for that loss.

83. Plaintiff therefore seeks a declaration of the parties' respective rights and duties under the Policy and requests the Court declare the aforementioned conduct of Defendant unlawful and in material breach of the policy so that future controversies may be avoided.

84. Pursuant to a declaration of the parties' respective rights and duties under the Policy, Plaintiff further seeks an injunction enjoining Defendant (1) from continuing to engage in conduct in breach of the Policy in regards to coverage decisions under the Civil Authority coverage in the Policy; and (2) ordering Defendant to comply with the terms of the Policy in regards to coverage decisions.

Count IV: Breach of Contract – Civil Authority

85. The preceding paragraphs are incorporated by reference as if fully alleged herein.

86. Plaintiff purchased property coverage insurance policy from Defendant.

87. The Policy is a valid and enforceable contract between the Defendant and Plaintiff. Plaintiff substantially performed his obligations under the terms of

the Policy including giving Defendant timely notice of the claim. Alternatively, Defendant has waived any terms or conditions of coverage and may not assert any term or condition in the Policy as a defense to liability beyond the terms or conditions set forth in Defendant's letter of June 8, 2020.

88. Plaintiff sustained a loss under the Civil Authority coverage in the Policy arising from the COVID-19 virus and associated Stay-at-Home Orders.

89. Defendant has not agreed to pay the claim for Civil Authority or requested a proof of loss. Instead, Defendant has requested information not necessary to determine coverage.

90. Defendant has denied claim for recovery under the Civil Authority coverage in the Policy related to COVID-19 and the Stay at Home Orders in breach of the Policy.

91. As a direct and proximate result of Defendant's breaches, Plaintiff sustained damages in an amount to be determined at trial or through appraisal.

92. Plaintiff has also suffered and continues to suffer additional consequential damages that were within the reasonable contemplation of the parties when they entered into the contract of insurance or that were the natural consequence of Defendant's breach of the contract of insurance.

Count V: Declaratory and Injunctive Relief – Extra Expense

93. The preceding paragraphs are incorporated by reference as if fully

alleged herein.

94. The Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, allows this Court to declare the rights and other legal relations of the parties to this dispute.

95. An actual controversy has arisen and now exists between Plaintiff on the one hand, and Defendant, on the other hand, concerning the respective rights and duties of the parties under the Policy.

96. Plaintiff contends that Defendant has breached the Policy in the following respects:

- a. Plaintiff has suffered losses covered by the Extra Expense coverage in the Policy.
- b. Defendant is obligated to pay Plaintiff for that loss.
- c. Defendant has failed to pay Plaintiff for that loss.

97. Plaintiff therefore seeks a declaration of the parties' respective rights and duties under the Policy and requests the Court declare the aforementioned conduct of Defendant unlawful and in material breach of the policy so that future controversies may be avoided.

98. Pursuant to a declaration of the parties' respective rights and duties under the Policy, Plaintiff further seeks an injunction enjoining Defendant (1) from continuing to engage in conduct in breach of the Policy in regards to coverage decisions under the Extra Expense coverage in the Policy; and (2)

ordering Defendant to comply with the terms of the Policy in regards to coverage decisions.

Count VI: Breach of Contract – Extra Expense

99. The preceding paragraphs are incorporated by reference as if fully alleged herein.

100. Plaintiff purchased property coverage policy from Defendant.

101. The Policy is a valid and enforceable contract between the Defendant and Plaintiff.

102. Plaintiff substantially performed his obligations under the terms of the Policy including giving Defendant timely notice of the claim. Alternatively, Defendant has waived any terms or conditions of coverage and may not assert any term or condition in the Policy as a defense to liability beyond the terms or conditions set forth in Defendant's letter of June 8, 2020.

103. Plaintiff sustained a loss under the Extra Expense coverage in the Policy arising from the COVID-19 virus and associated Stay-at-Home Orders.

104. Defendant has not agreed to pay the claim for Extra Expense or requested a proof of loss.

105. Defendant has denied Plaintiff's claim for recovery under the Extra Expense coverage in the Policy related to COVID-19 in breach of the Policy.

106. As a direct and proximate result of Defendant's breaches, Plaintiff

sustained damages in an amount to be determined at trial or through appraisal.

107. Plaintiff has also suffered and continues to suffer additional consequential damages that were within the reasonable contemplation of the parties when they entered into the contract of insurance or that were the natural consequence of Defendant's breach of the contract of insurance.

Count VII – Appraisal

108. The preceding paragraphs are incorporated by reference as if fully alleged herein.

109. The Policy and Mich. Comp. Laws §500.2833(1)(m) provide the amount of a loss may be determined in appraisal at either party's request.

110. To date, the parties have not agreed to the amount of the insured loss.

111. Plaintiff has suffered damages, in the amount of unpaid insurance proceeds, as a proximate result of Defendant's failure to pay Plaintiff's claim in the amounts Plaintiff is entitled to.

112. Plaintiff demands appraisal of the loss sustained at the property.

Count VIII - Violation of the Michigan Uniform Trade Practices Act

113. The preceding paragraphs are incorporated by reference as if fully alleged herein.

114. At all relevant times, Defendant was and is subject to the UTP Act.

115. At all relevant times, Plaintiff was and is entitled to benefits under

the Policy.

116. Defendant failed to pay Plaintiff's claim on a timely basis, in violation of the UTP Act, Mich. Comp. Laws §500.2006.

117. Plaintiff claims penalty interest, as provided for in the UTP Act.

Prayer for Relief

Wherefore, Plaintiff requests relief against Defendant as follows:

- a. For a judgment against Defendant for the causes of action alleged against it;
- b. For compensatory damages in an amount to be proven at trial or through appraisal;
- c. For a declaration that Defendant's conduct as alleged herein is unlawful and in material breach of the Policy;
- d. For appropriate injunctive relief, enjoining Defendant from continuing to engage in conduct related to the breach of the Policy;
- e. For pre-judgment and post-judgment interest at the maximum rate permitted by law, including penalty interest under Michigan's Uniform Trade Practices Act, Mich. Comp. Laws § 500.2006;
- f. For Plaintiff's attorney's fees;
- g. For Plaintiff's costs incurred; and
- h. For such other relief in law or equity as the Court deems just and proper.

Demand for Jury Trial

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

Respectfully submitted,

Buckfire & Buckfire, P.C.

/s/ Lawrence J. Buckfire

Lawrence J. Buckfire (P42841)
Attorney for Plaintiff

Date: August 14, 2020

Respectfully submitted,

Jim Kelly Law, PC

/s/ James J. Kelly

James J. Kelly (P72111)
Attorney for Plaintiff

Date: August 14, 2020

Exhibit A



The Cincinnati Insurance Company

A Stock Insurance Company

Headquarters: 6200 S. Gilmore Road, Fairfield, OH 45014-5141

Mailing address: P.O. Box 145496, Cincinnati, OH 45250-5496

www.cinfin.com ■ 513-870-2000

This is a true and certified copy of the complete policy:

ECP0342108

Previous Policy Number

Jennifer Baker
Jennifer Baker, Assistant Vice President

CinciPak™ FOR DENTISTS COMMON POLICY DECLARATIONS

Billing Method: **DIRECT BILL**

POLICY NUMBER **ECP 034 21 08 / EBA 034 21 08**

NAMED INSURED MITCHELL MILAN DDS D/B/A BIRMINGHAM CENTER FOR COSMETIC DENTISTRY
1044 SUFFIELD AVE

ADDRESS BIRMINGHAM, MI 48009-4623

(Number & Street,
Town, County,
State & Zip Code)

Policy Period: At 12:01 A.M., STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

All coverages except Automobile and / or Garage

Policy number: **ECP 034 21 08** FROM: 08-01-2018 TO: 08-01-2021

Automobile and / or Garage

Policy number: **EBA 034 21 08** FROM: 08-01-2018 TO: 08-01-2019

Agency **EMERSON-PREW, INC. 21-174**

City **BINGHAM FARMS, MI**

Legal Entity / Business Description

INDIVIDUAL

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.

FORMS APPLICABLE TO ALL COVERAGE PARTS:

IL0017	11/98	COMMON POLICY CONDITIONS
ICP101	05/11	CINCIPIK™ SUMMARY OF PREMIUMS CHARGED
IA4274MI	01/05	MICHIGAN - NOTICE TO POLICYHOLDERS
IA904	04/04	SCHEDULE OF LOCATIONS
IA4236	01/15	POLICYHOLDER NOTICE TERRORISM INSURANCE COVERAGE
IP446	08/01	NOTICE TO POLICYHOLDERS
IA4006	07/10	SPECIAL PER OCCURRENCE DEDUCTIBLE ENDORSEMENT
IA4108MI	01/16	MICHIGAN CHANGES - CANCELLATION AND NONRENEWAL
IA4238	01/15	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IA4245MI	01/16	MICHIGAN CHANGES - CANCELLATION AND NONRENEWAL
IA4338	05/11	SIGNATURE ENDORSEMENT
IL0022	05/87	EFFECTIVE TIME CHANGES - REPLACEMENT OF 12 NOON
FM502	07/08	COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS
GA532	07/08	COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS
MA573	06/07	ELECTRONIC DATA PROCESSING EQUIPMENT COVERAGE FORM DECLARATIONS
CA516	03/09	CRIME AND FIDELITY COVERAGE PART DECLARATIONS (COMMERCIAL ENTITIES)
PA531	10/11	DENTIST'S PROFESSIONAL LIABILITY COVERAGE PART DECLARATIONS (OCCURRENCE)

FORMS APPLICABLE TO ALL COVERAGE PARTS:

AA505 03/06 BUSINESS AUTO COVERAGE PART DECLARATIONS

USC514 05/10 PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART DECLARATIONS

06-13-2018 08:37

Countersigned _____ By _____
(Date) (Authorized Representative)

COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination of Your Books and Records

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

D. Inspections and Surveys

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

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

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

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

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

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer of Your Rights and Duties Under this Policy

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

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

MICHIGAN - NOTICE TO POLICYHOLDERS

As it pertains to your commercial policy:

This policy is exempt from the filing requirements of section 2236 of the insurance code of 1956, 1956 PA 218, MCL 500.2236.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF LOCATIONS

<u>LOC.</u>	<u>STREET ADDRESS</u>	<u>CITY</u>	<u>STATE</u>	<u>ZIP CODE</u>
1	555 S OLD WOODWARD AVE STE 701 BIRMINGHAM, MI 48009-6618			

POLICYHOLDER NOTICE

TERRORISM INSURANCE COVERAGE

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

Your policy may contain coverage for certain losses caused by terrorism.

Premium:

In accordance with the federal Terrorism Risk Insurance Act, we are required to notify you of the portion of the premium, if any, attributable to the coverage for terrorist acts certified under the Terrorism Risk Insurance Act.

- Refer to the SUMMARY OF PREMIUMS CHARGED or DECLARATIONS PAGE for the portion of your premium that is attributable to coverage for terrorist acts certified under the Act.

Federal Participation:

The Act also requires us to provide disclosure of federal participation in payment of terrorism losses.

- Under your policy, any losses caused by certified acts of terrorism would be partially reimbursed by the United States Government, Department of Treasury, under a formula established by federal law. Under this formula, the federal share equals a percentage, as specified in the Schedule below, of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

- **Schedule:**

Federal Share of Terrorism Losses	
Percentage	Calendar Year
85%	2015
84%	2016
83%	2017
82%	2018
81%	2019
80%	2020

Cap on Insurer Participation:

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.

NOTE: IF YOUR POLICY IS A RENEWAL POLICY, THIS NOTICE IS PROVIDED TO SATISFY THE REQUIREMENTS UNDER THE TERRORISM RISK INSURANCE ACT FOR POLICYHOLDER DISCLOSURE: (1) AT THE TIME OF OUR OFFER TO RENEW THE POLICY AND (2) AT THE TIME THE RENEWAL IS COMPLETED.

**THE CINCINNATI INSURANCE COMPANY
THE CINCINNATI CASUALTY COMPANY
THE CINCINNATI INDEMNITY COMPANY**

NOTICE TO POLICYHOLDERS

Please be advised that in your application for insurance you disclosed information to The Cincinnati Insurance Company, The Cincinnati Casualty Company and The Cincinnati Indemnity Company. The information disclosed in the application and all information subsequently collected by any of these companies may be shared among all three.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PER OCCURRENCE DEDUCTIBLE ENDORSEMENT

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
CRIME AND FIDELITY COVERAGE PART**

A. Special Per Occurrence Deductible

1. If an "occurrence" happens to Covered Property under the Commercial Property Coverage Part and to Covered Property under at least one of the following:

- a. The Commercial Inland Marine Coverage Part, and
- b. The Crime and Fidelity Coverage Part;

the most we will deduct from any loss or damage in any one "occurrence" is the deductible indicated on the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS**.

2. This endorsement does not apply to any of the forms listed in Paragraphs a. and b.:

- a. * **Electronic Data Processing Coverage Form, Section III, 2. Deductible, a.(2) Specified Losses Deductible**

* **Water Backup from Sewers, Drains, Septic Systems or Sump Pumps Endorsement**

Windstorm or Hail Percentage Deductible Form

Earthquake and Volcanic Eruption Endorsement

Earthquake and Volcanic Eruption Endorsement (Sub-Limit Form)

Flood Coverage Endorsement

Equipment Breakdown Coverage (Including Production Equipment)

Equipment Breakdown Coverage (Excluding Production Equipment)

* **Temperature Change Coverage Form**

Commercial Crime Coverage Form, A. Insuring Agreements, 1. Employee Theft, 2. Forgery or Alteration, 6. Computer Fraud and 7. Funds Transfer Fraud

Crime Expanded Coverage (XC[®]) Coverage or Expanded Coverage Plus Forms, A. Insuring Agreements, 1. Employee Theft and 2. Forgery or Alteration

Government Crime Coverage Form, A. Insuring Agreements, 1. Employee Theft - Per Loss Coverage, 2. Employee Theft - Per Employee Coverage, 3. Forgery or Alteration, 7. Computer Fraud and 8. Funds Transfer Fraud

- * Or such coverage as provided in the CinciPlus[®] Commercial Property or Commercial Property Power Expanded Coverage or Expanded Coverage Plus Forms

- b. ☐ **Other**

B. Definition

For the purpose of this endorsement only, any definition of "occurrence" is deleted in its entirety and the following definition is added to:

1. **COMMERCIAL PROPERTY CONDITIONS,**
2. **COMMERCIAL INLAND MARINE CONDITIONS,**
3. **COMMERCIAL CRIME COVERAGE FORM,**
4. **CRIME EXPANDED COVERAGE (XC[®]) COVERAGE FORM, and**
5. **GOVERNMENT CRIME COVERAGE FORM:**

"Occurrence" means all loss, damage, or a sequence of loss or damage, casualties or disasters arising from a single happening or event.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CHEMICAL APPLICATION LIMITED LIABILITY COVERAGE PART
CHEMICAL DRIFT LIMITED LIABILITY COVERAGE PART - CLAIMS-MADE
CINCINNATI CYBER DEFENSE™ COVERAGE PART
CINCINNATI DATA DEFENDER™ COVERAGE PART
CINCINNATI NETWORK DEFENDER™ COVERAGE PART
CLAIMS-MADE CONTRACTORS' ERRORS AND OMISSIONS COVERAGE FORM
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CONTRACTORS' ERRORS AND OMISSIONS COVERAGE FORM CLAIMS-MADE
CONTRACTORS' LIMITED POLLUTION LIABILITY COVERAGE FORM
CRIME AND FIDELITY COVERAGE PART*
ELECTRONIC DATA LIABILITY COVERAGE PART
EMPLOYEE BENEFIT LIABILITY COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
EXCESS LIABILITY COVERAGE PART
EXCESS WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY
FARM COVERAGE PART
GARAGE COVERAGE PART
HOLE-IN-ONE COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MACHINERY AND EQUIPMENT COVERAGE PART
MANUFACTURER'S ERRORS AND OMISSIONS COVERAGE FORM CLAIMS-MADE
POLLUTION LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
SEPTIC SYSTEMS DESIGN AND INSPECTION ERRORS AND OMISSIONS COVERAGE PART

*This endorsement does not apply to coverage provided for employee dishonesty (Coverage Form **A**) or public employee dishonesty (Coverage Forms **O** and **P**).

A. The **Cancellation** Common Policy Condition is amended as follows:

1. Paragraph **1.** is replaced by the following:

The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us or our authorized agent advance notice of cancellation.

2. Paragraph **3.** is replaced by the following:

We will mail or deliver our notice to the first Named Insured's last mailing address known to us or our authorized agent.

3. Paragraph **5.** is replaced by the following:

If this policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00,

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

B. The following Condition is added and supersedes any other provision to the contrary:

NONRENEWAL

If we decide not to renew this policy, we will mail or deliver to the first Named Insured's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 30 days before or not less than 60 days before for a medical malpractice policy:

- a. The expiration date of this policy; or
- b. The anniversary date of this policy if the policy is written for a term of one year..

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

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:

All Commercial Lines Coverage Parts, Coverage Forms, Policies and Endorsements subject to the federal Terrorism Risk Insurance Act and any amendments and extensions thereto

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

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B. Cap On Losses from Certified Acts of Terrorism**

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 ex-

ceeds \$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.

- C. Application of Other Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability, omission or absence of a terrorism exclusion, does not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, Coverage Form, Policy or Endorsement such as losses excluded by:

1. Exclusions that address war, warlike action, insurrection, rebellion, revolution, military action, nuclear hazard, nuclear materials, nuclear reaction, radiation, or radioactive contamination;
2. Exclusions that address pollutants, contamination, deterioration, fungi or bacteria; or
3. Any other exclusion,

regardless if the "certified act of terrorism" contributes concurrently or in any sequence to the loss.

- D. Sunset Clause**

If the federal Terrorism Risk Insurance Act expires or is repealed, then this endorsement is null and void for any act of terrorism that takes place after the expiration or repeal of the Act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MICHIGAN CHANGES -
CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

**CLAIMS-MADE EXCESS LIABILITY COVERAGE PART
COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
EXCESS LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A.** If you are an individual and any "covered auto" you own is of the private passenger type, the **Cancellation** Common Policy Condition is replaced by the following:

CANCELLATION

- 1.** You may cancel the policy by mailing or delivering to us advance notice of cancellation.
- 2.** When this policy is in effect less than 55 days and is not a renewal or continuation policy, we may cancel for any reason by mailing by certified mail or delivering to you within this period written notice of cancellation at least 20 days before the effective date of cancellation. However, if we cancel for nonpayment of premium, we will mail by regular mail or deliver notice to you at least 10 days before the effective date of cancellation.
- 3.** When this policy is in effect 55 days or more or is a renewal or continuation policy, we may cancel only for one or more of the reasons listed below. If we cancel for nonpayment of premium, we will mail you at least 10 days notice. If we cancel for any other reason, we will mail you at least 30 days notice.
 - a.** Nonpayment of premium.
 - b.** The named insured or any other operator who either resides in the same household or customarily operates an "auto" has had his or her driver's license suspended during the policy period and the revocation or suspension has become final.
 - c.** If during the first 55 days after the original issue date of the policy the risk is unacceptable to us.

But if this policy has been written for a period of more than a year or without a fixed expiration date, we may cancel at an anniversary of its original effective date for any reason. If we cancel, we will mail or deliver to you at least 30 days written notice.

- d.** Notice of cancellation will state the effective date of cancellation.
- e.** If this policy is cancelled, we will send you any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
- f.** If notice is mailed, proof of mailing will be sufficient proof of notice.

- B.** For all other policies, the **Cancellation** Common Policy Condition is amended as follows:

- 1.** Paragraph **1.** is replaced by the following:

The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us or our authorized agent advance notice of cancellation.

- 2.** Paragraph **3.** is replaced by the following:

We will mail or deliver our notice to the first Named Insured's last mailing address known to us or our authorized agent.

- 3.** Paragraph **5.** is replaced by the following:

If this policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is

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

- C.** The following Condition is added and supersedes any other provision to the contrary:

WHEN WE DO NOT RENEW

- 1.** If we decide not to renew this policy, we will mail or deliver to the first Named Insured's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 30 days before:
 - a.** The expiration date of this policy, or

- b.** The anniversary date of this policy, if the policy is written for a term of more than one year.

- 2.** 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.
- 3.** If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance this policy will end on the effective date of that insurance.
- 4.** If notice is mailed, proof of mailing is sufficient proof of notice.

SIGNATURE ENDORSEMENT

IN WITNESS WHEREOF, this policy has been signed by our President and Secretary in the City of Fairfield, Ohio, but this policy shall not be binding upon us unless countersigned by an authorized representative of ours. The failure to countersign does not void coverage in Arizona, Virginia and Wisconsin.



Secretary



President

The signature on any form, endorsement, policy, declarations, jacket or application other than the signature of the President or Secretary named above is deleted and replaced by the above signatures.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
EFFECTIVE TIME CHANGES--REPLACEMENT OF 12 NOON

This endorsement modifies the COMMON POLICY DECLARATIONS.

To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

THE CINCINNATI INSURANCE COMPANY

A Stock Insurance Company

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONSAttached to and forming part of POLICY NUMBER: **ECP 034 21 08**

Named Insured is the same as it appears on the Common Policy Declarations unless otherwise stated here.

Loc. (address)
REFER TO IA904

COVERAGE PROVIDED					OPTIONAL COVERAGES Applicable only when an entry is made						
Item	Coverage	Limits	Coin- surance	Covered Cause Of Loss	Business Income Indemnity						
					Inflation Guard (%)	Replace- ment Cost (x)	Replace- ment Cost Ind. Stock (x)	Agreed Value (x)	Monthly Limit (fraction)	Maximum Period (X)	Extended Period (Days)
1	BUSINESS INCOME W/EXTRA EXPENSE (a)	12 MONTHS ALS		SPECIAL							
1-1	BUSINESS PERSONAL PROPERTY	130,000	90%	SPECIAL		X					

DEDUCTIBLE: \$500.00 unless otherwise stated \$ 1,000

MORTGAGE HOLDER

Item Name and Address

FORMS AND / OR ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART:

FM101	05/16	BUILDING AND PERSONAL PROPERTY COVERAGE FORM (INCLUDING SPECIAL CAUSES OF LOSS)
FA4168	05/16	NOTICE TO POLICYHOLDERS COMMERCIAL PROPERTY COVERAGE PART DESCRIPTION OF REVISIONS EDITION 05 16
FCP440	05/16	NOTICE TO POLICYHOLDERS CINCIPAK™ PACKAGE PROGRAM DESCRIPTION OF REVISIONS EDITION 05 16
FCP405	05/16	CINCIPLUS® CINCIPAK™ MEDICAL / DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS
FCP201	05/16	CINCIPAK™ COMMERCIAL PROPERTY AMENDATORY ENDORSEMENT
FCP238	09/15	CINCIPAK™ MEDICAL OR DENTAL OFFICE POLLUTANT CLEAN-UP COVERED PROPERTY EXTENSION
FCP206	05/16	CINCIPAK™ MEDICAL OR DENTAL OFFICE ACTUAL LOSS SUSTAINED BUSINESS INCOME ENDORSEMENT
FCP211	05/16	CINCIPAK™ MEDICAL OR DENTAL OFFICE COMMERCIAL PROPERTY COVERAGE ENHANCEMENT
FCP217	05/16	CINCIPLUS® CINCIPAK™ MEDICAL / DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT
FCP402	05/16	CINCIPAK™ MEDICAL / DENTAL OFFICE BUSINESS INCOME (AND EXTRA EXPENSE) AMENDATORY ENDORSEMENT
FA286	05/16	THE BRIDGE ENDORSEMENT
FA4028MI	04/04	MICHIGAN CHANGES
FA4037MI	01/16	MICHIGAN CHANGES
FA450	05/16	COMMERCIAL PROPERTY CONDITIONS
FA213	05/16	BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

BUILDING AND PERSONAL PROPERTY COVERAGE FORM (INCLUDING SPECIAL CAUSES OF LOSS)

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BUILDING AND PERSONAL PROPERTY COVERAGE FORM

(INCLUDING SPECIAL CAUSES OF LOSS)

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION G. DEFINITIONS.**

SECTION A. COVERAGE

We will pay for direct "loss" to Covered Property at the "premises" caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

a. Building

Building, means the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery and equipment;
 - (b) Building glass, including any lettering and ornamentation;
 - (c) Signs attached to a building or structure that is Covered Property;
 - (d) Awnings and canopies;
- (4) Personal property owned by you that is used to maintain or service a covered building or its "premises", including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dish-washing or laundering;
- (5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to a covered building;

(b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the "premises", used for making additions, alterations or repairs to a covered building.

b. Outdoor Signs

Your outdoor signs permanently installed and not attached to a covered building, and located within 1,000 feet of the "premises".

c. Outdoor Fences

Your outdoor fences.

d. Business Personal Property

Your Business Personal Property consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle or portable storage unit) within 1,000 feet of the building or 1,000 feet of the "premises", whichever distance is greater. Your Business Personal Property consists of the following unless otherwise specified in the Declarations or on the **BUSINESS PERSONAL PROPERTY - SEPARATION OF COVERAGE ENDORSEMENT.**

- (1) Furniture;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) The cost of labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;

(7) Leased personal property used in your business for which you have a contractual responsibility to insure. Such leased property is not considered personal property of others in your care, custody or control;

(8) Personal Property of Others that is in your care, custody or control or for which you are legally liable.

(a) This does not include personal effects owned by you, your officers, your partners, or if you are a limited liability company, your members or your managers, or your employees (including leased and temporary workers), except as provided in **5. Coverage Extensions, I. Personal Effects**;

(b) This does not include property of others for which you are legally liable as:

- 1) A carrier for hire; or
- 2) An arranger of transportation, including car loaders, consolidators, brokers, freight forwarders, or shipping associations; and

(9) Sales samples.

2. **Property Not Covered**

Covered Property does not include:

a. **Accounts, Deeds, Money or Securities**

Except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, a. Accounts Receivable**, Accounts, bills, currency, deeds, food stamps or other evidences of debt, "money", notes or "securities";

b. **Animals**

Animals, unless

- (1) Owned by others and boarded by you; or
- (2) Owned by you and covered as "stock" while inside of buildings;

and then only as provided in **3. Covered Causes of Loss, c. Limitations**.

c. **Automobiles**

Automobiles held for sale;

d. **Contraband**

Contraband, or property in the course of illegal transportation or trade;

e. **Electronic Data**

Except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, d. Electronic Data**, "Electronic data". This Paragraph **e.** 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.

f. **Excavations, Grading & Backfilling**

The cost of excavations, grading, backfilling or filling;

g. **Foundations**

Foundations of buildings, structures, machinery or boilers, if their foundations are below:

- (1) The lowest basement floor; or
- (2) The surface of the ground, if there is no basement.

h. **Land, Water or Growing Crops**

Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetative roof);

i. **Paved Surfaces**

Bridges, roadways, walks, patios or other paved surfaces;

j. **Property While Airborne or Waterborne**

Personal property while airborne or waterborne;

k. **Pilings or Piers**

Pilings, piers, bulkheads, wharves or docks;

l. **Property More Specifically Insured**

Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except as provided in **G. Other Insurance** of the **COMMERCIAL PROPERTY CONDITIONS**;

m. **Retaining Walls**

Retaining walls that are not part of any building described in the Declarations;

n. **Underground Pipes, Flues or Drains**

Underground pipes, flues or drains;

o. Valuable Papers & Records and Cost to Research

Except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, r. Valuable Papers and Records**, the cost to research, replace or restore the information on "valuable papers and records", including those which exist as "electronic data".

This does not apply to "valuable papers and records" held for sale by you.

p. Vehicles or Self-Propelled Machines

Vehicles or self-propelled machines (including aircraft or watercraft) that:

- (1) Are licensed for use on public roads; or
- (2) Are operated principally away from the "premises".

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (2) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (3) Rowboats or canoes out of water and located at the "premises"; or
- (4) Trailers, but only as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, o. Trailers (Nonowned Detached)**.

q. Property While Outside of Buildings

The following property while outside of buildings (except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions**):

- (1) Grain, hay, straw or other crops;
- (2) Signs, except:
 - (a) Signs attached to a covered building or structure;
 - (b) Signs for which a Limit of Insurance is shown in the Declarations.
- (3) Outdoor fences, except outdoor fences for which a Limit of Insurance is shown in the Declarations;
- (4) Radio antennas, television antennas or satellite dishes; including their lead-in wiring, masts, and towers; and

- (5) Trees, shrubs or plants (other than trees, shrubs or plants that are "stock" or part of a vegetative roof).

3. Covered Causes of Loss

a. Covered Causes of Loss

Covered Causes of Loss means direct "loss" unless the "loss" is excluded or limited in this Coverage Part.

b. Exclusions

- (1) We will not pay for "loss" caused directly or indirectly by any of the following, unless otherwise provided. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

(a) Ordinance or Law

Except as provided in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law**, the enforcement of or compliance with any ordinance or law:

- 1) Regulating the construction, use or repair of any building or structure; or
- 2) Requiring the tearing down of any building or structure, including the cost of removing its debris.

This exclusion applies whether "loss" results from:

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

(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 **(b)1)** through **4)** above, results in fire or explosion, we will pay for the "loss" 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" caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct "loss" resulting from the eruption of a volcano when the "loss" 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, 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 "loss" to the described property.

This Earth Movement 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. However, we will pay for "loss" caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

(d) Nuclear Hazard

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

(e) Utility Services

- 1) Except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, q. Utility Services**, the failure of power, communication, water or other utility services supplied to the "premises", however caused, if the failure:

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

Failure of any utility service includes lack of sufficient capacity and reduction in supply. "Loss" caused by a surge of power is also excluded if the surge would not have occurred but for an event causing the failure of power.

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

Communication services include but are not limited to

service relating to Internet access or access to any electronic, cellular or satellite network.

(f) War and Military Action

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

(g) Water

- 1) Flood, meaning the partial or complete inundation of normally dry land areas due to:
 - a) The unusual or rapid accumulation or runoff of rain or surface waters from any source; or
 - b) Waves, tidal waters, tidal waves (including tsunami); or
 - c) Water from rivers, ponds, lakes, streams, or any other body of water that rises above, overflows from, or is not contained within its natural or man-made boundary;

and all whether driven by wind or not, including storm surge.
- 2) Mudslides or mudflows, which are caused by flooding as defined above in Paragraph (g)1) above. Mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current;

- 3) Water that has entered and then backs up through and is discharged from a sewer, drain, septic system, sump pump system or related equipment; or
- 4) Water under the ground surface pressing on, or flowing or seeping through:
 - a) Foundations, walls, floors or paved surfaces;
 - b) Basements, whether paved or not; or
 - c) Doors, windows or other openings.
- 5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs (g)1), 3) or 4), or material carried or otherwise moved by mudslide or mudflow as described in Paragraph (g)2).

This exclusion applies regardless of whether any of the above in Paragraphs (g)1) through (g)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.

However, if any of the above, as described in Paragraphs (g)1) through (g)5), results in fire, explosion or sprinkler leakage, we will pay for that portion of "loss" caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

(h) "Fungi", Wet Rot, Dry Rot, and Bacteria

- 1) Presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria. But if "fungi", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the "loss" caused by that "specified cause of loss".

2) This exclusion does not apply:

- a) When "fungi", wet or dry rot or bacteria results from fire or lightning; or
- b) To the extent that coverage is provided in **SECTION A. COVERAGE, 5. Coverage Extensions, g. "Fungi", Wet Rot, Dry Rot and Bacteria - Limited Coverage** with respect to "loss" from a cause of loss other than fire or lightning.

Exclusions **b.(1)(a)** through **b.(1)(h)** apply whether or not the "loss" event results in widespread damage or affects a substantial area.

(2) We will not pay for "loss" caused by or resulting from any of the following:

(a) Electrical Current

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.

However, if fire results, we will pay for "loss" caused by that fire.

(b) Delay or Loss of Use

Delay, loss of use or loss of market.

(c) Smoke, Vapor, Gas

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

(d) Miscellaneous Causes 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. However, if mechanical breakdown results in elevator collision, we will pay for that portion of "loss" caused by that elevator collision; or
- 7) The following causes of loss to personal property:
 - a) Marring or scratching;
 - b) Except as provided in **SECTION A. COVERAGE, 4. Additional Coverages, a. Change in Temperature or Humidity** and **5. Coverage Extensions, q. Utility Services**;
 - i) Dampness or dryness of atmosphere; and
 - ii) Changes in or extremes of temperature.

However, if an excluded cause of loss listed in **(2)(d)1)** through **7)** results in a "specified cause of "loss" or building glass breakage, we will pay for that portion of "loss" caused by that "specified cause of loss" or building glass breakage.

(e) Explosion of Steam Apparatus

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

(f) Water Seepage

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

(g) Freezing of Plumbing

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

- 1) You did your best to maintain heat in the building or structure; or
- 2) You drained the equipment and shut off the supply if the heat was not maintained.

(h) Dishonest or Criminal Acts

Dishonest or criminal acts (including theft) by you, any of your partners, members (if a limited liability company), officers, managers, employees (including leased workers or temporary 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 applies whether or not an act occurs during the hours of operation.

This **Dishonest or Criminal Acts** exclusion does not apply to acts of destruction by your employees (including leased workers or temporary employees) or by authorized representatives; except theft by employees (including leased workers or temporary employees) is not covered.

(i) Voluntary Parting Under 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.

(j) Exposure to Weather

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

(k) Collapse

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

- 1) An abrupt falling down or caving in;
- 2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- 3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to Paragraph **(k)1)** or **2)** above.

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

This exclusion **Collapse** does not apply:

- 1) To the extent that coverage is provided under the **SECTION A. COVERAGE, 5. Coverage Extensions, c. Collapse**; or
- 2) To collapse caused by one or more of the following:

- a) The "specified causes of loss";
- b) Breakage of building glass;
- c) Weight of rain that collects on a roof; or
- d) Weight of people or personal property.

(l) Pollutants

Discharge, dispersal, seepage, migration, release, escape or emission of "pollutants" unless the discharge, dispersal, seepage, migration, release, escape or emission is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release, escape or emission of "pollutants" results in a "specified cause of loss", we will pay for the "loss" caused by that "specified cause of loss".

This exclusion does not apply to "loss" to glass caused by chemicals applied to the glass.

m) Loss or Damage to Product

We will not pay for "loss" to Covered Property consisting of 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 "loss" caused by that Covered Cause of Loss.

(n) 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".

- (3)** We will not pay for "loss" caused by or resulting from any of the following in Paragraphs **(3)(a)** through **(3)(c)**. However, if an excluded cause of loss that is listed in Paragraphs **(3)(a)** through **(3)(c)** results in a Covered Cause of Loss, we will pay for that portion of "loss" 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 **SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions, (1)(a)** through **(1)(h)** to produce the "loss".

(b) Acts or Decisions

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

(c) Defects, Errors, and Omissions

- 1)** An act, error, or omission (negligent or not) relating to:

- a) Land use;
- b) Design, specifications, construction, workmanship;
- c) Planning, zoning, development, surveying, siting, grading, compaction; or
- d) Maintenance, installation, renovation, repair, or remodeling

of part or all of any property on or off the "premises";

- 2)** A defect, weakness, inadequacy, fault, or unsoundness in materials used in construction or repair of part or all of any property on or off the "premises"; or

- 3)** The cost to make good any error in design.

(4) Special Exclusions

The Special Exclusions apply only to **SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense**; and if attached to this policy, the following coverage forms: **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM, BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM, and EXTRA EXPENSE COVERAGE FORM.**

We will not pay for:

- (a)** Any "loss" caused by or resulting from:
 - 1)** Damage or destruction of "finished stock"; or
 - 2)** The time required to reproduce "finished stock".

This Exclusion **(4)(a)** does not apply to Extra Expense.
- (b)** Any "loss" caused by or resulting from damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (c)** Any increase of "loss" caused by or resulting from:
 - 1)** 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
 - 2)** Suspension, lapse or cancellation of any license, lease or contract. However, if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such "loss" that affects your "Business Income" during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period of Indemnity Optional Coverage or any variation of these.
- (d)** Any Extra Expense caused by or resulting from suspension, lapse

or cancellation of any license, lease or contract beyond the "period of restoration".

- (e)** Any other indirect "loss".

c. Limitations

The following limitations apply to all policy forms and endorsements shown on the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS**, unless otherwise stated:

(1) Limitations - Various Types of Property

We will not pay for "loss" to property as described and limited in this section. In addition, we will not pay for any "loss" that is a consequence of "loss" as described and limited in this section.

(a) Steam Apparatus

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" to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

(b) Hot Water Boilers

Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

(c) Building Interiors

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

- 1)** The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
- 2)** The "loss" is caused by or results from thawing of

snow, sleet or ice on the building or structure.

(d) Theft of Building Materials

Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- 1) Building materials and supplies held for sale by you; or
- 2) "Business Income" coverage or Extra Expense coverage.

(e) Missing Property

Property that is missing, where the only evidence of the "loss" is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

(f) Transferred Property

Property that has been transferred to a person or to a place outside the "premises" on the basis of unauthorized instructions.

(g) Vegetative Roofs

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

- 1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
- 2) Changes in or extremes of temperature;
- 3) Disease;
- 4) Frost or hail; or
- 5) Rain, snow, ice or sleet.

(2) Limitations - Various Property for Specified Causes

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

- (a) Animals, and then only if they are killed or their destruction is deemed necessary.

- (b) Contractors equipment, machinery and tools owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- 1) If the property is located on or within 1,000 feet of the "premises"; or
- 2) To Business Income coverage or to Extra Expense coverage.

(3) Limitation - Personal Property Theft

This Limitation does not apply to "Business Income" coverage or to Extra Expense coverage. For each category described in Paragraph **c.(3)(a)** through **(3)(d)** below, the most we will pay for "loss" in any one occurrence of theft to all property in that category, regardless of the types or number of articles for that category that are lost or damaged in that occurrence, are the following special limits:

- (a) \$2,500 for Furs, fur garments and garments trimmed with fur.
- (b) \$2,500 for Jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limitation does not apply to jewelry and watches worth \$100 or less per item.
- (c) \$2,500 for Patterns, dies, molds and forms.
- (d) \$250 for Stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are not additional Limits of Insurance.

(4) Limitation - System or Appliance Defects

- (a) We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes; and
- (b) We will not pay to replace the substance that escapes as described in Paragraph **c.(4)(a)** above.

But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage results in discharge of any substance from an automatic fire protection system, or is directly caused by freezing.

However, this Limitation **c.(4)(a)** does not apply to "Business Income" Coverage or to Extra Expense Coverage.

4. **Additional Coverages**

Unless stated otherwise, **SECTION C. DEDUCTIBLE** does not apply to Paragraph 4. **Additional Coverages**.

Unless stated otherwise, these Paragraph 4. **Additional Coverages** apply on a per location basis.

a. **Change in Temperature or Humidity**

We will pay for direct "loss" to your covered Business Personal Property caused by a change in temperature or humidity or contamination by refrigerant resulting from damage by a Covered Cause of Loss to equipment used for refrigerating, cooling, humidifying, dehumidifying, air conditioning, heating, generating or converting power (including their connections and supply or transmission lines and pipes) when located on the "premises".

This Coverage is included within the Limits of Insurance shown in the Declarations.

b. **Debris Removal**

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

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

- (a) Extract "pollutants" from land or water;
- (b) Remove, restore or replace polluted land or water;
- (c) Remove debris of property of yours that is not insured under this Coverage Part, or property in your possession that is not Covered Property;

(d) Remove debris of property owned by or leased to the landlord of the building where your "premises" are located, unless you have a contractual responsibility to insure such property and it is insured under this Coverage Part;

(e) Remove any property that is Property Not Covered, including property addressed under **5. Coverage Extensions, k. Outdoor Property**.

(f) Remove property of others of a type that would not be Covered Property under this Coverage Part;

(g) Remove deposits of mud or earth from the grounds of the "premises".

(3) Subject to the exceptions in Paragraph **b.(4)** below, the following provisions apply:

(a) The most we will pay for the total of direct "loss" plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained "loss".

(b) Subject to Paragraph **b.(3)(a)**, 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 "loss" to the Covered Property that has sustained "loss".

(4) We will pay up to an additional \$10,000 for debris removal expense for each "premises", in any one occurrence of direct "loss" 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 "loss" exceeds the Limit of Insurance on the Covered Property that has sustained "loss".

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct "loss" to the Covered Property that has sustained "loss".

Therefore, if Paragraph **b.(4)(a)** and/or **(4)(b)** apply, our total payment for direct

"loss" and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained "loss", plus \$10,000.

(5) Examples

The following examples assume that there is no coinsurance penalty.

Example #1

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

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 (\$80,000 - \$500)	\$79,500
Debris Removal Expense	\$30,000
Debris Removal Expense Payable	
Basic Amount	\$10,500
Additional Amount	\$10,000

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

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the "loss" payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the "loss" payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal ex-

pense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

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 \$5,000 in any one occurrence for your liability, which is determined prior to the direct "loss", for fire department service charges:

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

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 Coverage is in addition to the Limits of Insurance shown in the Declarations.

d. Fire Protection Equipment Recharge

- (1) We will pay for the expenses you incur to recharge your automatic fire suppression system or portable fire extinguishers when the equipment is discharged:
 - (a) To combat a covered fire to which this insurance applies;
 - (b) As a result of another covered Cause of Loss other than fire; or
 - (c) As a result of an accidental discharge.
- (2) We will not pay your expenses to recharge fire protection equipment as a result of a discharge during testing or installation.
- (3) If it is less expensive to do so, we will pay your costs to replace your automatic fire suppression system or portable fire extinguishers rather than recharge that equipment.

The most we will pay in any one occurrence under this Additional Coverage is \$25,000. This Coverage is in addition to the Limits of Insurance shown in the Declarations.

e. Inventory or Appraisal

- (1) We will pay the necessary expenses you incur to prepare claim information as required by this Coverage Part. Expenses must result from:
 - (a) Taking inventories;
 - (b) Making appraisals; and

- (c) Preparing a statement of loss and other supporting exhibits.

(2) We will not pay for any expenses:

- (a) Incurred to prove that "loss" is covered;
- (b) Incurred under **SECTION D. LOSS CONDITIONS, 2. Appraisal**;
- (c) Incurred for examinations under oath;
- (d) Billed by and payable to independent or public adjusters; or
- (e) To prepare claims not covered by this Coverage Part.

The most we will pay for any one occurrence under this Additional Coverage is \$10,000. This Coverage is in addition to the shown in the Declarations.

f. Key and Lock Expense

- (1) If a key or master key is lost, stolen, or damaged, we will pay for:
 - (a) The actual expense of the new keys; and
 - (b) The adjustment of locks to accept new keys; or
 - (c) If required, new locks, including the expense of their installation;
 but only for locks at buildings or structures covered by this Coverage Part.
- (2) This Coverage does not apply to keys that were given to former employees.

The most we will pay in any one occurrence under this Additional Coverage is Limit of Insurance \$1,000. This Coverage is in addition to the Limit of Insurance shown in the Declarations.

g. Ordinance or Law

- (1) If a covered building or structure sustains direct "loss" from a Covered Cause of Loss, resulting in the enforcement of or compliance with an ordinance or law that is in force at the time of "loss" and regulates the demolition, construction or repair of buildings or structures, or establishes zoning or land use requirements at the "premises", then subject to **SECTION D, LOSS CONDITIONS, 4. Loss Payment**, we will pay:

(a) Loss of Use of Undamaged Parts of Buildings

The costs you incur to rebuild at the same "premises" any undamaged portion of your building or structure caused by enforcement of or compliance with an ordinance or law requiring demolition of undamaged parts of the same building or structure. We will only pay the costs to satisfy 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.

(b) Demolition Costs

The costs you incur to demolish and clear the site of undamaged parts of the same building or structure as a result of Paragraph **g.(1)(a)** above.

(c) Increased Costs of Construction

- 1) For buildings or structures to which **SECTION F. OPTIONAL COVERAGES, 3. Replacement Cost** applies, the increased costs to comply with the minimum standards of an ordinance or law to:
 - a) Repair or reconstruct damaged portions of that building or structure; and
 - b) Reconstruct or remodel undamaged portions of that building or structure whether or not demolition is required;

However, this increased cost of construction applies only if the building or structure is repaired, reconstructed or remodeled and is intended for occupancy similar to the building or structure it replaces, unless such occupancy is not permitted by zoning or land use ordinance or law.

- 2) For this Paragraph **g.(1)(c)** only, the increased costs to repair or reconstruct the following:

- a) The cost of excavations, grading, backfilling and filling;
- b) Foundation of the building;
- c) Pilings;
- d) Underground pipes, flues and drains.

The items listed in Paragraphs **g.2a)** through **g.2d)** above are deleted from **SECTION A. COVERAGE, 2. Property Not Covered;**

(2) We will not pay for:

- (a) 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 or any activity of "fungi", wet or dry rot or bacteria; or
- (b) 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 or dry rot or bacteria.

(3) We will not pay for "loss" due to any ordinance or law that:

- (a) You were required to comply with before the "loss", even if the building or structure was undamaged; and
- (b) With which you failed to comply.

(4) The terms of this Additional Coverage apply separately to each building or structure covered by this Coverage Part.

The most we will pay under this Additional Coverage is \$10,000 per building. This is in addition to the Limit of Insurance shown in the Declarations for the building suffering "loss".

h. Pollutant Clean Up and Removal

We will pay your expenses to extract "pollutants" from land or water at the "premises" if the discharge, dispersal, seepage,

migration, release, escape or emission of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the "coverage term". The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

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

The most we will pay under this Additional Coverage for each "premises" is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss during each "coverage term". This Coverage is in addition to the Limit of Insurance shown in the Declarations.

i. Preservation of Property

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

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the "loss" occurs within 60 days after the property is first moved.

This Coverage is included within Limit of Insurance shown in the Declarations for such Covered Property.

j. Rewards

We will pay to provide a reward for information that leads to a conviction for arson, theft, vandalism, or burglary. The conviction must involve a covered "loss" caused by arson, theft, vandalism, or burglary.

The most we will pay for "loss" in any one occurrence under this Additional Coverage is \$10,000. This Coverage is in addition to the Limit of Insurance shown in the Declarations.

5. Coverage Extensions

Unless amended within a particular Coverage Extension, each Extension applies to property located in or on the building described in the Declarations or in the open (or in a vehicle or portable storage unit) within 1,000 feet of the "premises".

The limits applicable to the Coverage Extensions are in addition to the Limit of Insurance shown in the Property Declarations. Limits of Insurance specified in these Extensions apply per location unless stated otherwise.

SECTION E. ADDITIONAL CONDITIONS, 1. Coinsurance, does not apply to these Coverage Extensions.

a. Accounts Receivable

SECTION C. DEDUCTIBLE does not apply to this Coverage Extension.

(1) When you sustain direct "loss" to your accounts receivable records caused by a Covered Cause of Loss, 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 the "loss"; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

(2) Coverage does not apply to:

- (a) Records of accounts receivable in storage away from the "premises"; or
- (b) Contraband, or property in the course of illegal transportation or trade.

(3) We will extend coverage to include:

(a) Removal

If you give us written notice within 30 days of removal of your records of accounts receivable because of imminent danger of direct "loss" from a Covered Cause of Loss, we will pay for "loss" while they are:

- 1) At a safe place away from your "premises"; or
- 2) Being taken to and returned from that place.

This Removal coverage is included within the Limit of Insurance applicable to this Coverage Extension.

(b) Away From Your Premises

The most we will pay in any one occurrence is \$5,000, regardless of the number of locations, for "loss" caused by a Covered Cause of Loss to Accounts Receivable while they are away from your "premises".

This Away From Premises Limit is in addition to the Limit of Insurance applicable to this Coverage Extension.

(4) **SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions** does not apply to this Coverage Extension, except as follows:

- (a) **Exclusion (1)(c) Governmental Action;**
- (b) **Exclusion (1)(d) Nuclear Hazard;**
- (c) **Exclusion (1)(f) War and Military Action.**

(5) In addition to Paragraph **a.(4)** of this Coverage Extension, we will not pay for "loss" resulting from any of the following:

(a) Dishonest or criminal acts by:

- 1) You, your partners, employees, directors, trustees or authorized representatives;
- 2) A manager or a member if you are a limited liability company;
- 3) Anyone else with an interest in the records of accounts receivable, or their employees or authorized representatives; or
- 4) Anyone else entrusted with the records of accounts receivable for any purpose.

This Paragraph **a.(5)(a)** applies whether or not such persons are acting alone or in collusion with other persons or such act occurs during the hours of employment.

However, this Paragraph **a.(5)(a)** does not apply to dishonest acts of a carrier for hire or to acts of destruction by your employees. However, theft by employees is still not covered.

- (b) 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.

- (c) Bookkeeping, accounting or billing errors or omissions.
- (d) Electrical or magnetic injury, disturbance or erasure of "electronic data" that is caused by or results from:
 - 1) Programming errors or faulty machine instructions;
 - 2) Faulty installation or maintenance of data processing equipment or component parts;
 - 3) An occurrence that took place more than 100 feet from your "premises"; or
 - 4) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 100 feet from your "premises".

But we will pay for direct "loss" caused by lightning.

- (e) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- (f) A "loss" that requires any audit of records or any inventory computation to prove its factual existence.

(6) Determination of Receivables:

- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of direct "loss", the following method will be used:
 - 1) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the direct "loss" occurs; and
 - 2) Adjust that total for any normal fluctuations in the amount of accounts receiv-

able for the month in which the direct "loss" 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:
 - 1) The amount of the accounts for which there is no direct "loss"; and
 - 2) The amount of the accounts that you are able to re-establish or collect; and
 - 3) An amount to allow for probable bad debts that you are normally unable to collect; and
 - 4) All unearned interest and service charges.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$25,000.

b. Business Income and Extra Expense

SECTION C. DEDUCTIBLE does not apply to this Coverage Extension.

(1) Business Income

We will pay for the actual loss of "Business Income" and "Rental Value" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct "loss" to property at a "premises" caused by or resulting from any Covered Cause of Loss. With respect to "loss" to personal property in the open or personal property in a vehicle or portable storage unit, the "premises" include the area within 1,000 feet of the building or 1,000 feet of the "premises", whichever is greater.

With respect to the requirements of the preceding paragraph, if you are a tenant and occupy only part of the site at which the "premises" are located, for the purpose of this Coverage Extension only, your "premises" is the portion of the building that you rent, lease or occupy, including:

- (a) Any area within the building or on the site at which the "premises" are located if that area ser-

vices or is used to gain access to the "premises"; and

- (b) Your personal property in the open (or in a vehicle or portable storage unit) within 1,000 feet of the building or 1,000 feet of the "premises", whichever is greater.

(2) Extra Expense

- (a) We will pay Extra Expense you sustain during the "period of restoration". Extra Expense means necessary expenses you sustain (as described in Paragraphs **(2)(b)**, **(c)** and **(d)**) during the "period of restoration" that you would not have sustained if there had been no direct "loss" to property caused by or resulting from a Covered Cause of Loss.
- (b) If these expenses reduce the otherwise payable "Business Income" "loss", we will pay expenses (other than the expense to repair or replace property as described in Paragraph **(2)(c)**) to:
 - 1) Avoid or minimize the "suspension" of business and to continue "operations" either:
 - a) At the "premises"; or
 - b) At replacement "premises" or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location; or
 - 2) Minimize the "suspension" of business if you cannot continue "operations".
- (c) We will also pay expenses to:
 - 1) Repair or replace property; or
 - 2) Research, replace or restore the lost information on damaged "valuable papers and records";

but only to the extent this payment reduces the otherwise payable "Business Income" "loss". If any property obtained for temporary use during the "period of restoration" remains after the resumption of normal

"operations", the amount we will pay under this Coverage will be reduced by the salvage value of that property.

- (d) Extra Expense does not apply to "loss" to Covered Property as described in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**.

(3) Civil Authority

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

- (a) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage; and
- (b) 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.

This Civil Authority coverage for "Business Income" will begin immediately after the time of that action and will apply for a period of up to 30 days from the date of that action.

This Civil Authority coverage for Extra Expense will begin immediately after the time of that action and will end:

- 1) 30 consecutive days after the time of that action; or
- 2) When your "Business Income" coverage ends;

whichever is later.

(4) Alterations and New Buildings

We will pay for the actual loss of "Business Income" you sustain and Extra Expense you incur due to direct "loss" at the "premises" caused by or resulting from any Covered Cause of Loss to:

- (a) New buildings or structures, whether complete or under construction;
- (b) Alterations or additions to existing buildings or structures; and
- (c) Machinery, equipment, supplies or building materials located on or within 1,000 feet of the "premises" and:
 - 1) Used in the construction, alterations or additions; or
 - 2) Incidental to the occupancy of new buildings.

If such direct "loss" delays the start of "operations", the "period of restoration" for "Business Income" Coverage will begin on the date "operations" would have begun if the direct "loss" had not occurred.

(5) Newly Purchased or Leased Locations

We will pay the actual loss of "Business Income" you sustain and Extra Expense you incur due to direct "loss" to Covered Property at any location you purchase or lease caused by or resulting from a Covered Cause of Loss. This coverage for the Newly Purchased or Leased Locations will end when any of the following first occurs:

- (a) This policy expires;
- (b) You report values to us;
- (c) 90 days pass from the date you acquire or begin to construct the Covered Property.

(6) Extended Business Income

- (a) For "Business Income" Other Than "Rental Value", if the necessary "suspension" of your "operations" produces a "Business Income" or Extra Expense "loss" payable under this Coverage Part, we will pay for the actual loss of "Business Income" you sustain and Extra Expense you incur during the period that:
 - 1) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
 - 2) Ends on the earlier of:

- a) 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 "loss" had occurred; or
- b) 60 consecutive days after the date determined in **b.(6)(a)1)** above.

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

Loss of "Business Income" must be caused by direct "loss" at the "premises" caused by or resulting from any Covered Cause of Loss.

- (b) For "Rental Value", if the necessary "suspension" of your "operations" produces a "Rental Value" "loss" payable under this Coverage Part, we will pay for the actual loss of "Rental Value" you incur during the period that:

- 1) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- 2) Ends on the earlier of:
 - a) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct "loss" had occurred; or
 - b) 60 consecutive days after the date determined in **b.(6)(b)1)** above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of

Loss in the area where the "premises" are located.

Loss of "Rental Value" must be caused by direct "loss" at the "premises" caused by or resulting from any Covered Cause of Loss.

(7) Interruption of Computer Operations

- (a) Subject to all provisions of this Coverage Extension, 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" as described in **SECTION A. COVERAGE, 5. Coverage Extensions, d. Electronic Data.**
- (b) Paragraph **b.(7)(a)** 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 Paragraph **b.(7)(c)** has not been exhausted.
- (c) The most we will pay under Paragraph **b.(7)** of this Coverage Extension is \$2,500 for all "loss" sustained and expense incurred in the "coverage term", regardless of the number of interruptions or the number of "premises" or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for subsequent interruptions in that "coverage term". A balance remaining at the end of a "coverage term" does not carry over to the next "coverage term". With respect to an interruption that begins in a "coverage term" and continues or results in additional "loss" or expense in a subsequent "coverage term", all "loss" and expense is deemed to be sustained in the "coverage term" in which the interruption began.

This \$2,500 coverage for Interruption of Computer Operations does not increase the Limit of Insurance provided in this Coverage Extension.

The most we will pay for "loss" in any one occurrence under this "Business Income" and Extra Expense Coverage Extension is \$25,000.

c. Collapse

The coverage provided under this Coverage Extension applies only to an abrupt collapse as described and limited in Paragraphs **c.(1)** through **c.(7)** below.

- (1) For the purpose of this Coverage Extension only, abrupt collapse means an abrupt falling down or caving in of a building or structure or any part of a building or structure with the result that the building or structure or part of the building or structure cannot be occupied for its intended purpose.
- (2) We will pay for direct "loss" to Covered Property, caused by abrupt collapse of a building or structure or any part of a building or structure insured under this Coverage Part, or that contains Covered property insured under this Coverage Part, if such collapse is caused by one or more of the following:
 - (a) Building or structure decay that is hidden from view, unless the presence of such decay is known or should reasonably have been 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 or should reasonably have been 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 materials or methods in construction, remodeling, or renovation if the abrupt collapse occurs after construction, remodeling, or renovation is complete but only if the collapse is caused in part by:
 - 1) A cause of loss listed in Paragraph **c.(2)(a)** or **c.(2)(b)** of this Coverage Extension;
 - 2) One or more of the "specified causes of loss";

- 3) Breakage of building glass;
 - 4) Weight of people or personal property; or
 - 5) Weight of rain that collects on a roof.
- (3) This Coverage Extension does not apply to:
- (a) A building or structure or any part of a building or structure that is in danger of falling down or caving in;
 - (b) A part of a building or structure that is standing, even if it has separated from another part of the building or structure; or
 - (c) A building or structure that is standing or any part of a building or structure that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (4) With respect to the following property:
- (a) Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
 - (b) Awnings, gutters and downspouts;
 - (c) Yard fixtures;
 - (d) Outdoor swimming pools;
 - (e) Fences;
 - (f) Piers, wharves and docks;
 - (g) Beach or diving platforms; including their appurtenances;
 - (h) Retaining walls; and
 - (i) Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in Paragraph **c.(2)(a)** through **c.(2)(d)**, we will pay for "loss" to that property only if:
- (a) Such "loss" is a direct result of the abrupt collapse of a building or structure insured under this Coverage Part; and
 - (b) The property is Covered Property under this Coverage Part.
- (5) If personal property abruptly falls down or caves in and such collapse

is **not** the result of abrupt collapse of a building or structure, we will pay for direct "loss" 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 **c.(2)(a)** through **c.(2)(d)** of this Coverage Extension;
- (b) The personal property that collapses is inside a building; and
- (c) The property that collapses is not of a kind listed in Paragraph **c.(4)** above of this Coverage Extension, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **c.(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 Coverage Extension 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 Coverage Extension shall not increase the Limit of Insurance provided in this Coverage Part.
- (8) The term Covered Cause of Loss includes Collapse as described and limited in Paragraphs **c.(1)** through **c.(7)**.

d. Electronic Data

- (1) This Coverage Extension 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.
- (2) We will pay for the cost to replace or restore "electronic data" which has been destroyed or corrupted by a Covered Cause of Loss that applies to **SECTION A. COVERAGE, 1. Covered Property, d. Business Personal Property**. To the extent that "electronic data" is not replaced or restored, the "loss" will be valued at the cost of replacement of the me-

dia on which the "electronic data" was stored with blank media of substantially identical type.

- (3) For the purposes of this Coverage Extension only, Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, that is designed to damage or destroy any part of the system or disrupt its normal operation. However, there is no coverage for "loss" 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 or "electronic data".

- (4) The most we will pay for all direct "loss" under this Coverage Extension, regardless of the number of "premises" or computer systems involved, is \$2,500. This limit is the most we will pay for the total of all direct "loss" arising out of all occurrences that take place in the "coverage term". If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent "loss" sustained in the "coverage term". A balance remaining in a "coverage term" does not carry over to the next "coverage term". With respect to an occurrence which begins in the "coverage term" and continues or results in additional "loss" in a subsequent "coverage term", all "loss" is deemed to be sustained in the "coverage term" in which the occurrence began.

e. Exhibitions, Fairs or Trade Shows

We will pay for direct "loss" caused by a Covered Cause of Loss to your Covered Property, including covered property of others, while it is located at exhibitions, fairs or trade shows. This Coverage Extension does not apply while Covered Property is in transit to or from the exhibition, fair or trade show.

The most we will pay for "loss" in any one occurrence is \$10,000.

The Limit of Insurance provided under this Coverage Extension does not apply per location.

f. Fences

We will pay for direct "loss" caused by a Covered Cause of Loss to your outdoor fences that are located within 1,000 feet of the "premises" and not otherwise insured as Covered Property in this Coverage Part.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$5,000.

g. Fungi, Wet Rot, Dry Rot, and Bacteria - Limited Coverage

- (1) The coverage described in Paragraphs **g.(2)** and **g.(3)** of this Coverage Extension only apply when the "fungi", wet or dry rot or bacteria is the result of a Covered Cause of Loss that occurs during the "coverage term" 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.

- (2) We will pay for "loss" by "fungi", wet or dry rot or bacteria. As used in this Coverage Extension, the term "loss" means:

- (a) Direct "loss" to Covered Property caused by "fungi", wet or dry rot or bacteria, including the cost of removal of the "fungi", wet or dry rot or bacteria;
- (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot or bacteria; and
- (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet or dry rot or bacteria are present.

- (3) For the coverage described under Paragraph **g.(2)** of this Coverage Extension, the most we will pay for "loss", regardless of the number of claims, is \$15,000. This limit is the most we will pay for the total of all "loss" arising out of all occurrences that take place in the "coverage term". With respect to a particular occurrence of "loss" which results in "fungi", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungi", wet or dry rot or bacteria continues to be pre-

sent or active, or recurs, in a subsequent "coverage term".

- (4) The coverage provided under this Coverage Extension does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in "loss" by "fungi", wet or dry rot or bacteria, and other "loss", we will not pay more, for the total of all "loss" than the applicable Limit of Insurance on the affected Covered Property.

If there is covered "loss" to Covered Property, not caused by "fungi", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Coverage Extension, except to the extent that "fungi", wet or dry rot or bacteria causes an increase in the "loss". Any such increase in the "loss" will be subject to the terms of this Coverage Extension.

- (5) The terms of this Coverage Extension do not increase or reduce the coverage provided under:

(a) **SECTION A. COVERAGE, 5. Coverage Extensions, c. Collapse;**

(b) **SECTION A. COVERAGE, 5. Coverage Extensions, s. Water, Other Liquids, Powder or Molten Material Damage**

- (6) The following (6)(a) or (6)(b) apply only if "Business Income", "Rental Value", or Extra Expense Coverage applies to the "premises" and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable "Business Income", "Rental Value", or Extra Expense Coverage.

(a) If the "loss" which resulted in "fungi", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to "loss" to property caused by "fungi", wet or dry rot or bacteria, then our payment under "Business Income" and/or Extra Expense is limited to the amount of "loss" and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

(b) If a covered "suspension" of "operations" was caused by "loss" other than "fungi", wet or dry rot or bacteria but remedia-

tion of "fungi", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for "loss" and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

- (7) This Coverage Extension does not apply to lawns, trees, plants or shrubs that are part of any vegetative roof.

h. Glass

- (1) If a Covered Cause of Loss occurs to building glass that is Covered Property, we will also pay necessary expenses you incur to:

(a) Put up temporary plates or board up openings if repair or replacement of damaged glass is delayed;

(b) Repair or replace encasing frames;

(c) Remove or replace obstructions (except expenses to remove or replace window displays); and

(d) Repair or replace alarm tapes.

- (2) If you are a tenant at a covered "premises" and:

(a) The building you occupy is not Covered Property; and

(b) You are legally liable for direct "loss" to the building glass in that building;

such building glass, for the purposes of this Paragraph h.(2), is Covered Property. The most we will pay for "loss" in any one occurrence is \$5,000. This building glass is subject to the building deductible as described in **SECTION C. DEDUCTIBLE**.

- (3) For the purposes of this Coverage Extension only, **SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions** does not apply except as follows:

(a) **Exclusion (1)(b) Earth Movement;**

(b) **Exclusion (1)(c) Governmental Action;**

- (c) **Exclusion (1)(d) Nuclear Hazard;**
- (d) **Exclusion (1)(f) War and Military Action;**
- (e) **Exclusion (2)(d)1) Wear and tear; and**
- (f) As listed in **Exclusion (2)(d)2):** Rust or other corrosion, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

i. **Newly Purchased, Leased or Constructed Property**

(1) Buildings

If buildings are Covered Property in this Coverage Part, we will pay for direct "loss" caused by a Covered Cause of Loss to:

- (a) Your new buildings or additions while being built on the "premises";
- (b) Buildings you newly purchase or become newly required to insure by written contract that are:
 - 1) Intended for use by you as a warehouse; or
 - 2) Similarly used by you as buildings insured under this Coverage Part.

The most we will pay for "loss" in any one occurrence to a building under this Coverage Extension is 1,000,000 for each building.

(2) Business Personal Property

- (a) If business personal property is Covered Property in this Coverage Part, we will pay for direct "loss" caused by a Covered Cause of Loss to business personal property you newly purchase or are required to insure by written contract:
 - 1) While located at buildings described in Paragraph **a.(1)** of this Coverage Extension; or
 - 2) While located in a leased building or space therein that you are not required to insure. Such lease must be for a period of 12 consecutive months or longer.

- (b) Paragraph **a.(2)(a)** of this Coverage Extension does not apply to:

- 1) Any business personal property covered under **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, e. Exhibitions, Fairs, or Trade Shows or m. Property Off Premises;**
- 2) Any business personal property that is covered under **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, p. Transportation** or is otherwise considered to be in-transit to or from a "premises".
- 3) Business personal property of others that is temporarily in your possession in the course of installing or performing work on such property, or temporarily in your possession in the course of your manufacturing or wholesaling activities.

The most we will pay for "loss" in any one occurrence to your Business Personal Property under this Coverage Extension is \$500,000 at each building.

(3) Period of Coverage

Coverage provided under this Coverage Extension will end when any of the following first occurs:

- (a) This policy expires,
- (b) For buildings described in Paragraph **(1)(a)** of this Coverage Extension, 90 days pass from the date you begin construction on that part of the building that would qualify as Covered Property;
- (c) For business property described in Paragraph **(1)(b)** and Paragraph **(2)(a)1)**, 90 days after your purchase or lease;
- (d) For business personal property described in Paragraph **(2)(a)2)**, 90 days from the effective date

of the lease of the building space in the building; or

(e) You report values to us.

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

j. Nonowned Building Damage

If you are a tenant at a covered "premises" and:

- (1)** The building you occupy is not Covered Property; and
- (2)** You are legally liable for direct "loss" to that building;

We will pay for direct "loss" to that building caused by burglary, robbery, theft or attempted theft.

This Coverage Extension does not apply to:

- (1)** Glass, including lettering and ornamentation, and also necessary:
 - (a)** Repair or replacement of encasing frames or alarm tapes; and
 - (b)** Expenses incurred to board up openings or remove or replace obstruction.
- (2)** Building materials and equipment removed from the "premises".

This Coverage Extension does not apply if you have purchased other insurance in your name on the building you occupy as required by the lease.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$25,000.

k. Outdoor Property

We will pay for direct "loss" caused by a Covered Cause of Loss to the following types of your Covered Property:

- (1)** Radio antennas, television antennas or satellite dishes (including their lead-in wiring, masts and towers);
- (2)** Trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or part of a vegetative roof), including debris removal ; and
- (3)** If you are a tenant, to your awnings that are attached to a building you occupy;

but only if caused by or resulting from any of the following causes of loss if they are included as Covered Causes of Loss under this Coverage Part:

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

We will pay for the debris removal expenses of the above type property that are not your Covered Property if such debris is on your "premises" due to the Covered Causes of Loss described in this Coverage Extension. If you are a tenant, we do not pay debris removal expenses for trees, plants or shrubs owned by the landlord or owner of the building you occupy.

No other coverage for debris removal expenses provided in this Coverage Part applies to this Outdoor Property Coverage Extension.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$5,000, but not more than \$1,000 for any one tree, shrub or plant.

l. Personal Effects

If business personal property is Covered Property in this Coverage Part, we will pay for direct "loss" caused by a Covered Cause of Loss to personal effects owned by:

- (1)** You, your officers, or your partners, or if you are a limited liability company, your members or your managers; or
- (2)** Your employees (including temporary and leased employees), including tools owned by your employees that are used in your business. However, employee tools are not covered for theft.

This Coverage Extension does not apply to "money" or "securities".

If theft is included as a Covered Cause of Loss under this Coverage Part, then this Coverage Extension has a \$500 per occurrence limitation for direct "loss" by theft.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$10,000.

m. Property Off Premises

(1) We will pay for direct "loss" caused by a Covered Cause of Loss to your Covered Property, including covered personal property of others, while it is away from the "premises", if it is:

- (a) Temporarily at a location you do not own, lease or operate; or
- (b) In storage at a location you lease, provided the lease was executed for the first time after the beginning of the current "coverage term".

(2) This Coverage Extension does not apply to Covered Property at exhibitions, fairs, trade show, or in transit.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$10,000.

The Limit of Insurance provided by this Coverage Extension does not apply per location.

n. Signs

We will pay for direct "loss" caused by a Covered Cause of Loss, including debris removal expense, to signs not otherwise insured by this Coverage Part.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$5,000.

The Limit of Insurance provided by this Coverage Extension does not apply per location.

o. Trailers (Nonowned Detached)

(1) If business personal property is Covered Property in this Coverage Part, we will pay for direct "loss" caused by a Covered Cause of Loss to trailers that you do not own, provided that:

- (a) The trailer is used in your business;
- (b) The trailer is temporarily in your care, custody or control at the "premises"; and
- (c) You have a contractual responsibility to pay for "loss" to the trailer.

(2) We will not pay for any direct "loss" that occurs:

(a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;

(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) This insurance is excess over the amount due, whether you can collect on it or not, from any other insurance covering such property.

(4) This Coverage Extension does not apply to any property inside or on the trailer.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$5,000.

p. Transportation

We will pay for direct "loss" caused by a Covered Cause of Loss to your Covered Property, including covered personal property of others while it is in or on a vehicle, including loading and unloading of the property.

The most we will pay for "loss" in any one occurrence is \$10,000.

The Limit of Insurance provided by this Coverage Extension does not apply per location.

q. Utility Services

We will pay for:

(1) Direct "loss" to Covered Property at your "premises" except for direct "loss" resulting from the partial or complete failure of Wastewater Removal Services; and

(2) Loss of "Business Income" you sustain and Extra Expenses you incur as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense;**

caused by or resulting from the partial or complete failure of utility services to the "premises".

The partial or complete failure of the utility services listed below must be caused by direct "loss" caused by a Covered Cause of Loss to the following property:

(1) Power Supply Property, meaning the following types of property supplying

electricity, steam or natural gas to the "premises":

- (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers; and
 - (e) Transmission, distribution, service, or similar lines, excluding all such overhead lines of any type.
- (2) Water Supply Property, meaning the following types of property supplying water to the "premises":
- (a) Pumping stations; and
 - (b) Water mains.
- (3) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the "premises", other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities. Coverage under this Coverage Extension does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.
- (4) Communication Supply Property, meaning property supplying communication services, including service relating to Internet access or access to any electronic, cellular or satellite network; telephone, radio, microwave or television services to the "premises", such as:
- (a) Communication transmission, distribution, service or similar lines, including fiber optic lines, excluding all such overhead lines of any type;
 - (b) Coaxial cables; and
 - (c) Microwave radio relays, excluding satellites.

This Coverage Extension does not apply to "loss" to "electronic data", including destruction or corruption of "electronic data".

The most we will pay for all direct "loss" and loss of "Business Income" and Extra Expense in any one occurrence is \$25,000.

r. Valuable Papers and Records

SECTION C. DEDUCTIBLE does not apply to this Coverage Extension.

- (1) Subject to Paragraph **r.(3)** of this Coverage Extension, we will pay necessary costs you incur to research, replace or restore lost or damaged information on "valuable papers and records" that are your property or the property of others in your care, custody or control; resulting from direct "loss" caused by a Covered Cause of Loss.

- (2) Coverage does not apply to:

- (a) Property that cannot be replaced with other property of like kind and quality;
- (b) Property held as samples or for delivery after sale;
- (c) Property in storage away from the "premises", except as provided in Paragraph **r.(4)(b)** of this Coverage Extension;
- (d) Contraband, or property in the course of illegal transportation or trade;
- (e) "Valuable papers and records" in the form of "electronic data", including the materials on which the "electronic data" is recorded.

- (3) The most we will pay for "loss" is the least of the following amounts:

- (a) The cost of reasonably restoring the damaged property to its condition immediately before the "loss";
- (b) The cost of replacing the damaged property with substantially identical property; or
- (c) The actual cash value of the damaged property at the time of "loss".

However, we will not pay for "loss" unless or until the damaged property is actually replaced or restored; and then only if such replacement or restoration occurs within 36 months from the date of direct "loss".

- (4) We will extend coverage to include:

(a) Removal

If you give us written notice within 30 days of removal of your "valuable papers and records"

because of imminent danger of direct "loss" from a Covered Cause of Loss, we will pay for direct "loss" while they are:

- 1) At a safe place away from your "premises"; or
- 2) Being taken to and returned from that place.

This Removal coverage is included within the Limits of Insurance applicable to this Coverage Extension.

(b) Away From Your Premises

We will pay up to \$5,000 in any one occurrence, regardless of the number of locations, for direct "loss" caused by a Covered Cause of Loss to "valuable papers and records" while they are away from your "premises".

This Away From Premises limit is in addition to the Limit of Insurance applicable to this Coverage Extension.

(5) SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions does not apply to this Coverage Extension except as follows:

- (a) Exclusion (1)(c) Governmental Action;**
- (b) Exclusion (1)(d) Nuclear Hazard; and**
- (c) Exclusion (1)(f) War and Military Action.**

(6) In addition to Paragraph r.(5) of this Coverage Extension, we will not pay for direct "loss" resulting from any of the following:

- (a) Dishonest or criminal acts by:**
 - 1) You, your partners, employees, directors, trustees or authorized representatives;
 - 2) A manager or a member if you are a limited liability company;
 - 3) Anyone else with an interest in the records of accounts receivable, or their employees or authorized representatives; or
 - 4) Anyone else entrusted with the records of accounts receivable for any purpose.

This Paragraph **r.(6)(a)** applies whether or not such persons are acting alone or in collusion with other persons or such act occurs during the hours of employment.

However, this Paragraph **r.(6)(a)** does not apply to dishonest acts of a carrier for hire or to acts of destruction by your employees. However, theft by employees is still not covered.

- (b) Errors or omissions in processing or copying.** However, we will pay for that portion of direct "loss" caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Part.
- (c) Electrical or magnetic injury, disturbance or erasure of electronic recordings.** But we will pay for direct "loss" caused by lightning.
- (d) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.**

The most we will pay for "loss" in any one occurrence is \$25,000.

s. Water Damage, Other Liquids, Powder or Molten Material Damage

If a covered direct "loss" to which this insurance applies was caused by or resulted from water or other liquid, powder or molten material damage, we will also pay the cost to tear out and replace any otherwise undamaged part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

SECTION B. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations, except as amended in **SECTION A. COVERAGE, 3. Covered Causes of Loss, c. Limitations, 4. Additional Coverages, and 5. Coverage Extensions.**

SECTION C. DEDUCTIBLE

Except as otherwise provided; in any one occurrence of direct "loss" we will first reduce the amount of "loss" if required by **SECTION E. ADDITIONAL CONDITIONS, 1. Coinsurance or SECTION F. OPTIONAL COVERAGES, 1. Agreed Value.** If the adjusted amount of direct "loss" is less than or equal to the Deductible, we will not pay for that direct "loss". If the adjusted amount of direct "loss" exceeds the Deductible, we will then

subtract the Deductible from the adjusted amount of direct "loss", and will pay the resulting amount or the Limit of Insurance, whichever is less.

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

1. Deductible Examples

Example No. 1:

(This example assumes there is no coinsurance penalty as outlined in **SECTION E. ADDITIONAL CONDITIONS, 1. Coinsurance**).

Deductible:	\$250
Limit of Insurance - Bldg. 1:	\$60,000
Limit of Insurance - Bldg. 2:	\$80,000
"Loss" to Bldg. 1:	\$60,100
"Loss" to Bldg. 2:	\$90,000

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

The Deductible will be subtracted from the amount of "loss" in calculating the "loss" payable for Bldg. 1:

$$\$60,100 - \$250 = \$59,850 \text{ "Loss" Payable - Bldg. 1}$$

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

Total amount of "loss" payable: $\$59,850 + \$80,000 = \$139,850$.

Example No. 2:

(This example also assumes there is no coinsurance penalty).

The Deductible and Limits of Insurance are the same as those in Example No. 1:

"Loss" to Bldg. 1: \$70,000 (Exceeds Limit of Insurance plus Deductible)

"Loss" to Bldg. 2: \$90,000 (Exceeds Limit of Insurance plus Deductible)

"Loss" Payable - Bldg. 1: \$60,000 (Limit of Insurance)

"Loss" Payable - Bldg. 2: \$80,000 (Limit of Insurance)

Total amount of "loss" payable: \$140,000.

2. Glass Deductible

When direct "loss" to the building you occupy only involves building glass, the Deductible for that "loss" will be the lesser of:

- a. \$500; or
- b. The Deductible shown in the Declarations for that Covered Property.

SECTION D. LOSS CONDITIONS

The following conditions apply in addition to the **COMMON POLICY CONDITIONS** and the **COMMERCIAL PROPERTY CONDITIONS**.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties in the Event of Loss or Damage

- a. In the event of "loss" to Covered Property, you must see that the following are done in order for coverage to apply:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the "loss". Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the "loss" occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage. If feasible, set the damaged property aside and in the best possible order for examination. Keep a

record of your expenses necessary to protect the Covered Property for consideration in the settlement of the claim. This will not increase your limit of insurance. However, in no event will we pay for any subsequent "loss" resulting from a cause of loss that is not a Covered Cause of Loss.

- (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" 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) Submit 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) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of "loss" insured by this Coverage Part, 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.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of **SECTION D. LOSS CONDITIONS, 7. Valuation** or any applicable provision that amends or supercedes this valuation condition.

- b. The cost of repair or replacement 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, except as provided in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law**.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust "losses" with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. Our payment for "loss" to personal property of others and personal effects will only be for the account of the owner of the property.
- g. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- h. We will pay for insured "loss" within 30 days after we receive the sworn proof of loss if you have complied with all of the terms of this Coverage Part; and
 - (1) We have reached agreement with you on the amount of "loss"; or
 - (2) An appraisal award has been made.

i. **Loss Payment - Ordinance or Law.**

With respect to **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law**:

(1) Loss of Use of Undamaged Parts of Building

When there is a loss in value of an undamaged portion of a building or structure to which this coverage applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

(a) If **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION F. OPTIONAL COVERAGES, 3. Replacement Cost** applies and the property is repaired or replaced, on the same "premises" or another "premises"; we will not pay more than the lesser of:

- 1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same "premises" and to the same height, floor area, style and comparable quality of the original property insured; or
- 2) The limit of insurance indicated in **SECTION A. COVERAGE, 4. Additional Coverages g. Ordinance or Law for Loss of Use of Undamaged Parts of Building** for the building that has suffered "loss".

(b) If **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION F. OPTIONAL COVERAGES, 3. Replacement Cost** applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:

- 1) The "actual cash value" of the building at the time of "loss"; or
- 2) The limit of insurance indicated in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law for Loss of Use of Undamaged Parts of Building** for the building that has suffered "loss".

(2) Demolition Costs

Loss payment for Demolition Costs will be determined as follows:

We will not pay more than the lesser of the following:

- (a) The amount you actually spend to demolish and clear the site of the "premises"; or

(b) The limit of insurance indicated in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law for Demolition Costs** for the building that has suffered "loss".

(3) Increased Costs of Construction

Loss payment for **Increased Costs of Construction** will be determined as follows:

(a) We will not pay for the increased cost of construction until the property is actually repaired or replaced, at the same "premises" or another location and unless the repairs or replacement are made as soon as reasonably possible after the direct "loss", 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 lesser of:

- 1) The increased cost of construction at the same "premises"; or
- 2) The limit of insurance indicated in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law for Increased Costs of Construction** for the building that has suffered "loss".

(c) If the ordinance or law requires relocation to another location the most we will pay for the increased cost of construction is the lesser of:

- 1) The increased cost of construction at the new location; or
- 2) The limit of insurance indicated in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law for Increased Costs of Construction** for the building that has suffered "loss".

(4) Proportional Payments

If the building or structure sustains both direct "loss" that is covered un-

der this Coverage Part and direct "loss" that is not covered under this Coverage Part; and as a result of the direct "loss" in its entirety you are required to comply with the ordinance or law, we will not pay the full amount of direct "loss" otherwise payable under the terms of **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law**. Instead, we will pay a proportion of such direct "loss"; meaning the proportion that the covered direct "loss" bears to the total direct "loss".

j. Loss Determination - Business Income and Extra Expense

With respect to **SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense**,

- (1) The amount of "Business Income" and "Rental Value" "loss" will be determined based on:
 - (a) The Net Income of the business before the direct "loss" occurred;
 - (b) The likely Net Income of the business if no direct "loss" 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;
 - (c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct "loss"; and
 - (d) Other relevant sources of information, including:
 - 1) Your financial records and accounting procedures;
 - 2) Bills, invoices and other vouchers; and
 - 3) Deeds, liens or contracts.
- (2) The amount of Extra Expense will be determined based on:
 - (a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct "loss"

had occurred. We will deduct from the total of such expenses:

- 1) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
- 2) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- (b) Necessary expenses that reduce the "Business Income" and "Rental Value" "loss" that otherwise would have been incurred.

(3) Resumption of Operations

We will reduce the amount of your:

- (a) "Business Income" and "Rental Value" "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 "premises" or elsewhere.
- (b) Extra Expense "loss" to the extent you can return "operations" to normal and discontinue such Extra Expense.
- (4) 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.

k. Party Walls

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 all other provisions of this **SECTION D. LOSS CONDITIONS, 4. Loss Payment** including:

- (1) Limit of Insurance shown in the Declarations;
- (2) **SECTION D. LOSS CONDITIONS, 7. Valuation;** and
- (3) **SECTION E. ADDITIONAL CONDITIONS, 1. Coinsurance.**

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 **COMMERCIAL PROPERTY CONDITIONS, I. Transfer Of Rights Of Recovery Against Others To Us** in this Coverage Part.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
 - (a) When this Coverage Part 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 Coverage Part 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:
 - 1) Rented to a lessee or sublessee and used by them to conduct their customary operations; or
 - 2) 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 direct "loss" occurs has been vacant for more than 60 consecutive days before that "loss", we will:

- (1) Not pay for any "loss" 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) Reduce the amount we would otherwise pay for the "loss" by 15% with respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** of this Loss Condition.

7. Valuation

We will determine the value of Covered Property in the event of direct "loss" as follows:

- a. At "Actual Cash Value" as of the time of direct "loss", except as provided in **b.**, **c.**, **d.**, and **e.** below.
- b. If the Limit of Insurance for Building satisfies **SECTION E. ADDITIONAL CONDITIONS, 1. Coinsurance**, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

- d. Glass at the cost of replacement with safety glazing material if required by law.
 - e. Tenant's Improvements and Betterments at:
 - (1) Replacement Cost of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the "loss" or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (3) Nothing if others pay for repairs or replacement.
 - (4) For the purposes of valuation, tenants' improvements and betterments are not considered to be the personal property of others.

SECTION E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the **COMMON POLICY CONDITIONS** and the **COMMERCIAL PROPERTY CONDITIONS**.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any "loss" if the value of Covered Property at the time of direct "loss" times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of direct "loss" by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);

- (3) Multiply to the total amount of "loss", before the application of any deductible, by the figure determined in step (2); and
- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the "loss" yourself.

Example No. 1 (Underinsurance):

The value of the property is: \$250,000
 The coinsurance percentage is: 80%
 The Limit of Insurance is: \$100,000
 The Deductible is: \$250
 The amount of "loss" is: \$40,000

Step (1):

$\$250,000 \times 80\% = \$200,000$ (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):

$\$100,000 \text{ divided by } \$200,000 = .50$

Step (3):

$\$40,000 \times .50 = \$20,000$

Step (4):

$\$20,000 - \$250 = \$19,750$.

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

Example No. 2 (Adequate Insurance):

The value of the property is: \$250,000
 The coinsurance percentage is: 80%
 The Limit of Insurance is: \$200,000
 The Deductible is: \$250
 The amount of "loss" is: \$40,000

Step (1):

$\$250,000 \times 80\% = \$200,000$ (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):

$\$200,000 : \$200,000 = 1.00$

Step (3):

$\$40,000 \times 1.00 = \$40,000$

Step (4):

$\$40,000 - \$250 = \$39,750$.

We will pay no more than \$39,750 "loss" in excess of the Deductible. No penalty applies.

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3:

The values of the property are:

Bldg. at Location No. 1:	\$75,000
Bldg. at Location No. 2:	\$100,000

Personal Property at Location No. 2:	<u>\$75,000</u>
	250,000

The coinsurance percentage is: 90%
The Limit of Insurance for Buildings and Personal

Property at Location Nos. 1 and 2 is:	\$180,000
The Deductible is:	\$1,000
The amount of "loss" is:	
Bldg. at Location No. 2:	\$30,000
Personal Property at Location No. 2:	<u>\$20,000</u>
	\$50,000

Step (1):

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

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

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

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

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

2. Mortgage Holders

- a. The term "mortgage holder" includes trustee.
- b. We will pay for covered "loss" to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply

with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn statement 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 mortgage holder.

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

- e. If we pay the mortgage holder for any "loss" and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder 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 mortgage holder 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 mortgage holder at least ten days before the expiration date of this policy.

SECTION F. OPTIONAL COVERAGES

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

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for direct "loss" to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Limit of Insurance indicated in the most current Statement of Values that applies to this Coverage Part.
- b. If the Agreed Value Optional Coverage is deleted from the policy, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage does not apply.
- c. The terms of this Optional Coverage apply only to "loss" that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the policy expiration date.
- d. This Agreed Value Optional Coverage does not apply to **SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense.**

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the beginning of the current "coverage term" or any other Coverage Part change amending the Limit of Insurance, multiplied by
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), multiplied by
 - (3) The number of days since the beginning of the current "coverage term" or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365. In the event of "loss", this number of days ends at the original date of "loss".

Example:

If: The applicable Limit of Insurance is: \$100,000

The Annual percentage increase is: 8%

The number of days since the beginning of the policy year (or last policy change) is: 146

The amount of increase is
 $\$100,000 \times .08 \times (146/365) = \$3,200$

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces "Actual Cash Value" in **SECTION D. LOSS CONDITIONS, 7. Valuation** of this **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**.
- b. This Optional Coverage does not apply to:
 - (1) Personal Property of others, except leased personal property as described in **SECTION A. COVERAGE, 1. Covered Property, d.(7)**. The valuation of such leased personal property will be based on the amount for which you are liable under the lease, but not to exceed the replacement cost of the leased item.
 - (2) Personal effects;
 - (3) Contents of a residence;
 - (4) Manuscripts;
 - (5) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac;
 - (6) "Stock" unless the Replacement Cost including "Stock" option is shown in the Declarations; or
 - (7) Property, that at the time of "loss":
 - (a) Is outdated, or obsolete and is stored or not being used; or
 - (b) Has no practical value to you.
- c. You may make a claim for "loss" 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" settled on an "Actual Cash Value" basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the "loss".
- d. We will not pay on a replacement cost basis for any "loss":
 - (1) Until the lost or damaged property is actually repaired or replaced with other property of generally the same construction and used for the same

purpose as the lost or damaged property; and

- (2) Unless the repairs or replacement have been completed or at least underway within 2 years following the date of "loss".
- e. We will not pay more for "loss" on a replacement cost basis than the least of:
- (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace, on the same "premises", the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.
- f. The cost of repair or replacement 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 building or structure except as provided in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law.**

SECTION G. DEFINITIONS

1. "Actual cash value" means replacement cost less a deduction that reflects depreciation, age, condition and obsolescence.
2. "Business Income" means the:
 - a. Net Income (net profit or loss before income taxes) that would have been earned or incurred; and
 - b. Continuing normal operating expenses sustained, including payroll.
3. "Computer programs" 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. "Coverage term" means the following individual increment, or if a multi-year policy period, increments, of time, which comprise the policy period of this Coverage Part:
 - a. The year commencing on the Effective Date of this Coverage Part at 12:01 A.M. standard time at your mailing address shown in the Declarations, and if a multi-year policy period, each consecutive annual period thereafter, or portion thereof if any period is for a period of less than 12 months, constitute individual "coverage terms". The last "coverage term" ends at 12:00 A.M. standard time at your mailing address shown in the Declarations on the earlier of:
 - (1) The day the policy period shown in the Declarations ends; or
 - (2) The day the policy to which this Coverage Part is attached is terminated or cancelled.
 - b. However, if after the issuance of this Coverage Part, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".
5. "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.
6. "Finished stock" means stock you have manufactured, except "stock" you have manufactured that is held for sale on the "premises" of any retail outlet insured under this Coverage Part.
7. "Fungi" means any type or form of fungus, and includes, but is not limited to, any form or type of mold, mushroom or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.
8. "Loss" means accidental physical loss or accidental physical damage.
9. "Money" means:
 - a. Currency, coins and bank notes whether or not in current use; and
 - b. Travelers checks, registered checks and money orders held for sale to the public.
10. "Operations" means:
 - a. Your business activities occurring at the "premises"; and
 - b. The tenantability of the "premises", if coverage for "Business Income" including "Rental Value" or "Rental Value" applies.
11. "Period of restoration" means the period of time that:
 - a. Begins at the time of direct "loss".
 - b. Ends on the earlier of:

- (1) The date when the property at the "premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.
- c. "Period of restoration" 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".
- d. The expiration date of the policy will not cut short the "period of restoration".
12. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, asbestos, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property, or the environment regardless of whether injury or damage is caused directly or indirectly by the "pollutants" and whether:
- a. You are regularly or otherwise engaged in activities which taint or degrade the environment; or
 - b. You use, generate or produce the "pollutant".
13. "Premises" means the Locations and Buildings described in the Declarations.
14. "Rental Value" means "Business Income" that consists of :
- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the "premises" described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the "premises" which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that "premises", including:
 - (1) Payroll; and
- (2) The amount of charges, which are the legal obligation of the tenant(s) but would otherwise be your obligations.
15. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
- a. Tokens, tickets, revenue and other stamps whether or not in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue; but does not include "money". Lottery tickets held for sale are not "securities" or evidences of debt.
16. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the Covered Property into subterranean voids created by the action of water on a limestone or similar rock formation. This does not include:
- a. The cost of filling sinkholes;
 - b. Sinking or collapse of land into man-made subterranean cavities; or
 - c. The value of the land.
17. "Specified causes of loss" means 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; and water damage.
- a. Falling objects does not include "loss" 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.
 - b. 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 "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" otherwise excluded under the terms of **BUILDING AND BUSINESS PERSONAL PROPERTY, SECTION A. COVERAGE, 3. Covered Causes of Loss, (g) Water**. Therefore, for example, there is no coverage under this Coverage Part 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 Exclusion **(g) Water**, there is no coverage for "loss" 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 **18.b.(1)** or **18.b.(2)** of this definition of "Specified causes of loss", such

water is not subject to the provisions of Exclusion **(g) Water**.

18. "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.
19. "Suspension" means:
 - a. The slowdown or cessation of your business activities; and
 - b. That a part or all of the "premises" is rendered untenable.
20. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, card index systems, deeds, drawings, films, maps, mortgages, or proprietary information.

But "valuable papers and records" does not mean "money" or "securities" or "electronic data", including the materials on which the "electronic data" is recorded.

NOTICE TO POLICYHOLDERS

COMMERCIAL PROPERTY COVERAGE PART

DESCRIPTION OF REVISIONS EDITION 05 16

This is a summary of the major changes in your Commercial Property Coverage Forms. NO COVERAGE IS PROVIDED BY THIS SUMMARY 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. If there is any conflict between the policy and this summary, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

The areas within the policy that broaden, reduce or clarify coverage are indicated below. The material is organized by individual coverage forms; however, not all coverage forms are included in a particular policy.

AMENDMENTS TO COMMERCIAL PROPERTY COVERAGE FORM FM 101:

Below is a description of amendments to our **FM 101** coverage form, which is our base form for Building and Personal Property coverage. Our **FM 101** is being revised to become more up-to-date with ISO's Commercial Property forms and endorsements. With our revised **FM 101** coverage form and our corresponding commercial property forms and endorsements we are incorporating many of ISO's Countrywide Commercial Property form changes, having edition dates 06 07 and 10 12.

Editorial Changes Only:

Many of the form revisions are editorial in nature. Examples of editorial changes made in our revised forms include the following:

Items in a form may be re-numbered or re-lettered if such referenced item number or letter changed within the **FM 101** form.

Direct physical "loss" is now described simply as direct "loss", thereby dropping the unneeded word *physical*.

Quotation marks have been removed from the word "loss" in many cases where *loss* is not being used as a defined term. In **FM 101** "loss" is defined as "accidental physical loss or accidental physical damage". Expenses incurred due to physical damage are not themselves physical damage, loss payments for business income or extra expense due to "loss" are not payments for physical damage itself. In our forms we have clarified that loss has a broader sense than "loss" when used as a defined term.

Extra Expense is no longer a defined term and the quotation marks for it are removed in all of our forms.

Defined words and terms are no longer in bold type (unless they are part of a heading).

The phrase, "For the purposes of this endorsement only," is inserted as a lead-in for many items listed in our endorsements, for clarification.

In paragraphs indicating that a loss will be paid, the phrase, "in any one occurrence", has been moved to be in front of the payment limits, for emphasis, rather than having the phrase at the end of the sentence.

Building and Personal Property Coverage Form (Including Special Causes of Loss) - FM 101 05 16

Section A. COVERAGE, 1. Covered Property, d. Business Personal Property

- Business Personal Property is expanded to include property in buildings or structures. (Broadening)
- Business Personal Property "in the open", or "in a vehicle" does not expressly handle situations in which business personal property is located outside of the covered building, but still on premises in a storage unit. Coverage is extended to Business Personal Property in a portable storage unit, more like a POD. The base sublimit, which can be increased, will be \$10,000.

We will use our 1,000 feet coverage boundary for Business Personal Property outside a building. (Broadening)

- For tenants in multi-story buildings it makes a difference whether coverage applies outside the building or outside their premises. Language is added that the greater of those distances applies. (Broadening)

SECTION A. COVERAGE, 2. Property Not Covered

e. Electronic Data:

- Electronic data which is integrated into building systems for lighting, elevators, heating, ventilation, A/C, or security is considered part of the

coverage on the building and is not subject to Electronic Data exclusion. (Broadening)

h. Land, Water or Growing Crops:

- Lawns that are part of a vegetative roof are considered covered property. (Broadening)

SECTION A. COVERAGE, 3.a. Covered Causes of Loss

As ISO has done in reaction to court decisions, we are deleting the word "Risks" from the preamble to the Covered Causes of Loss section of **FM 101**. Item **3.a.** is changed from "Risks of Direct Physical Loss" to "Covered Causes of Loss". (Clarification)

SECTION A. COVERAGE, 3.b. Exclusions, (1)

(a) Ordinance or Law:

- Exclusion is clarified to exclude loss due to compliance with local ordinances. (Clarification)

(b) Earth Movement:

- Clarifies Earthquake includes tremors and aftershocks. (Clarification)
- Clarifies man-made causes (excavating, hydro fracking) are excluded as well as naturally caused earthquakes. (Clarification)
- Removes exception to earthquake exclusion for office equipment, Accounts Receivable, Valuable Papers and Records, and Transportation. (Reduction)

(e) Utility Services:

- Clarifies that owned equipment on the customer's premises is still considered as part of the utility service and excluded. An example of such equipment would be a transformer (property of utility) on the insured's premises. (Clarification)
- Removes the special Business Income exclusion for utility service outside building. (Clarification)

(g) Water:

- Incorporates ISO's **CP 10 32** endorsement wording (drafted to address post-Katrina issues) into our water exclusion. Clarifies that we exclude storm surge and includes examples of excluded events. (Clarification)
- Definition of flood added that matches our Flood Coverage Endorsement **FA 104**. (Clarification)

- Removes exception to water exclusion for office equipment, Accounts Receivable, Valuable Papers and Records, and Transportation. (Reduction)
- Flood exclusion language matches our Flood **FA 104** coverage buyback. (Clarification)
- Exclusion reorganized to make waterborne material its own paragraph. (Clarification)

SECTION A. COVERAGE, 3.b. Exclusions, (2)

(a) Electrical Current:

- Updates the exclusion language to match the endorsement buyback with current technology about power sources and associated systems, specifically with respect to power surges. (Broadening)

(h) Dishonest or Criminal Acts:

- Paragraph title is amended from "Dishonest Acts" to "Dishonest or Criminal Acts". (Clarification)
- The exclusion applies in full for dishonest or criminal acts, including theft, for those who have a role in the insured's business (partners, managers, directors, trustees, employees, authorized representatives). But for people who are entrusted with the insured's property (a category that would include tenants and bailees), only theft is excluded. (Broadening)
- The exception to the exclusion that covers acts of destruction by employees now includes authorized representatives. (Broadening)

(i) Voluntary Parting Under False Pretense:

- Paragraph title is amended from "False Pretense" to "Voluntary Parting Under False Pretense". (Clarification)

(k) Collapse:

- Clarifies policy intent that an insured event of collapse must be abrupt. (Clarification)
- Reformats language to track with Collapse coverage extension. (Clarification)

(m) Loss or Damage to Product:

- Renames the "Work Process" exclusion to be "Loss or Damage to Product". Clarifies policy intent that only the property being processed at time of loss is excluded. Loss caused by

that damaged Business Personal Property is covered. The exclusion is worded more like E&O. (Broadening)

SECTION A. COVERAGE, 3.b. Exclusions, (4)

Special Exclusions - Utility Service Business Income Exclusions:

- Item (a) on the prior **FM 101** form, special Business Income limitation, is now deleted. Direct and indirect exclusions are both worded such that any component of the utility delivery system, even if on the insured premises, is considered part of the utility service. (Clarification)

SECTION A. COVERAGE, 3.c. Limitations, (1)

(f) Gutters and Downspouts:

- This limitation for loss caused by weight of ice, snow or sleet has been removed. With the Gutters and Downspouts limitation removed, Transferred Property becomes Item (f) instead of Item (g). (Broadening)

(g) Vegetative Roofs:

- Vegetative roofs are considered as part of the building. Coverage is added for vegetative roofs which was previously Property Not Covered. (Broadening)

SECTION A. COVERAGE, 3.c. Limitations, (4)

Limitation - System or Appliance Defects:

Relocated the second paragraph in our prior **FM 101** form for Coverage Extension **s. Water, Other Liquids, Powder or Molten Material Damage** to this new item under Limitations to more clearly indicate that we exclude any loss to the substance that escapes the system. (Clarification)

SECTION A. COVERAGE, 4. Additional Coverages

- b. Debris Removal:** Coverage is broadened to include debris of others on the insured's premises as long as such debris is Covered Property on the policy and is a result of a Covered Cause of Loss. (Broadening)
- c. Fire Department Service Charge:** Clarifies our limit is the most we pay regardless of the number of fire departments that respond or services they provide. (Clarification)
- f. Key and Lock Expense:** Coverage is broadened to include a master key. (Broadening)
- g. Ordinance or Law:** Language is amended to include "compliance" with the required ordinance or law that deals with rebuilding after a loss. (Clarification)

SECTION A. COVERAGE, 5. Coverage Extensions

We have amended the opening phrase for coverages identified within the Coverage Extensions portion of the **FM 101**, to indicate "We will pay for direct "loss".....". This replaces the previous beginning phrase in most Coverage Extensions, "You may extend the insurance provided by this Coverage Part to apply to "loss"". We have changed the opening phrase for clarification because our intent is to apply the **FM 101** base form Covered Causes of Loss to Covered Property, not to indicate that any coverage provided anywhere in Division 5 applies to the Coverage Extensions. (Clarification)

b. Business Income and Extra Expense:

(1) Business Income:

- Coverage is expanded to apply to property that is outside a covered building in a portable storage unit. (Broadening)
- Coverage for property within 1,000 feet of a building is expanded to include property within 1,000 feet of the premises. (Broadening)
- This same feature applies if our insured is the tenant for personal property in the open or in a portable storage unit. (Broadening)

Previous (3) Tenant Premises:

A.5. Coverage Extensions, b. Business Income and Extra Expense, (3) Tenant Premises, explaining that the "premises" is the portion of the building the tenant rents, leases or occupies, including personal property in the open within 1,000 feet, is removed because it is now incorporated in the revised Business Income Coverage Forms **FA 212, FA 213 and FA 216**. All subsequent items under Extension **b.** are renumbered accordingly. (Clarification)

(3) Civil Authority: This Item (3) was previously Item (4). The intent of this coverage involves damage to a neighboring premises. We incorporated ISO's civil authority wording in ISO's Business Income Forms to clarify coverage intent, which was necessitated by post-911 security protocols. ISO's Business Income Forms now require that the damaged premises must be within one mile of the insured premises in order to qualify for Civil Authority coverage. However, we are less restrictive than ISO because we do not include ISO's one

mile restriction for Civil Authority coverage in our **FM 101**. Our Business Income coverage will apply for up to 30 days from the date of civil authority action, and our Extra Expense coverage will end 30 days after the time of action or when Business Income coverage ends, whichever is later. (Broadening)

- (5) Newly Purchased or Leased Locations:** This Item **(5)** was previously Item **(6)**. The word "acquired" has been deleted and the phrase "purchased or leased" has been added. This language tracks with the direct damage coverage extension for such property. (Clarification)

c. Collapse:

- The Collapse exclusion clarifies collapse must be abrupt. Further clarification is added to this Collapse coverage extension to explain what is not collapse. Even if the building shows signs it might collapse or is in the process of cracking or bulging, coverage does not apply. (Clarification)

d. Electronic Data:

- Since electronic data integrated into building systems is considered part of the building, it is not considered here as a coverage extension. (Broadening)

e. Exhibitions, Fairs or Trade Shows:

- Added "trade shows" to title of coverage since this is more contemporary language and gives broader coverage than before. (Broadening)

g. Fungi, Wet Rot, Dry Rot, and Bacteria - Limited Coverage:

- Item **g.(7)** clarifies that vegetative roofs do not get this coverage extension. (Clarification)

i. Newly Purchased, Leased or Constructed Property:

- The phrase "acquired or constructed" has been replaced with the phrase "purchased, leased or constructed" to more clearly state our coverage intent and not provide coverage for short term storage situations. (Clarification)

j. Nonowned Building Damage:

- Language is clarified to apply to the building the tenant occupies if the lease makes the tenant legally liable for direct losses. We will pay for direct loss to the building caused by

burglary, robbery, theft or attempted theft. This extension does not apply if the lease requires the tenant to insure the building. (Clarification)

k. Outdoor Property:

- The Debris Removal Additional Coverage is broadened to include removal of similar property of others that is now on the insured's premises. The same extension has been granted here since debris removal of trees, plants and shrubs is contained within this coverage extension. (Broadening)

q. Utility Services:

- Wastewater/Sewage treatment facilities are added as a utility service for Business Income only. However, coverage does not apply if the wastewater removal facility is overwhelmed itself with heavy rainfall or flooding. That falls under any Flood coverage, not Utility Services. (Broadening)
- Communication Supply Property now includes service relating to Internet access or access to electronic, cellular, or satellite networks. (Broadening)
- While the Utility Services exclusions are concerned with whether the Utility Service is on or off premises, the coverage extension focuses on the source of the utility failure. (Broadening)
- The "Overhead Transmission and Distribution Lines" reference has been broadened to apply to overhead lines of any type. (Broadening)

s. Water Damage, Other Liquids, Powder or Molten Material Damage:

- The word "Damage" has been added to title to distinguish it from water exclusion. (Clarification)

SECTION D. LOSS CONDITIONS, 4. Loss Payment

i. Loss Payment - Ordinance or Law:

- This section has been formatted to track more closely with the separate Ordinance or Law Coverage Forms. (Clarification)

k. Party Walls:

- A definition of party walls is added and Loss Payment provisions are introduced for claims involving building loss that affects multiple tenants. Under this insurance, loss payment re-

lating to a party wall reflects the insured's partial interest in that wall. However, if the owner of the adjoining building elects not to repair or replace that building (and the building insured under this insurance is being repaired or replaced), this insurance will pay the full value of the party wall subject to all other applicable policy provisions. (Broadening)

SECTION D. LOSS CONDITIONS, 7. Valuation

Tenant's Improvements and Betterments has been broadened to replacement cost instead of actual cash value. (Broadening)

SECTION F. OPTIONAL COVERAGES

1. Agreed Value:

- Language is amended to compare the Limit of Insurance indicated in the Commercial Property Declarations to the Limit of Insurance indicated in the latest Statement of Values on file with our Company. (Clarification)

2. Inflation Guard:

- Clarifies that coverage starts at the beginning of the current "coverage term" or the effective date of the most recent policy change. The number of days referenced in the policy language ends at the original date of loss. (Clarification)

SECTION G. DEFINITIONS

6. Definition of "Extra Expense" in our prior **FM 101** form is removed as a defined term. The Extra Expense explanation is moved into the Business Income coverage agreement. All subsequent definitions are renumbered. (Clarification)
8. Definition of "Loss" is amended to indicate "accidental physical loss or accidental physical damage". This avoids stating this throughout the **FM 101**. (Clarification)
12. Definition of "Pollutants" is amended to add Asbestos and Petroleum Products so it tracks with our General Liability and Auto definitions. (Clarification)
13. Definition of "Premises" is amended to now track with how we indicate Covered Locations by referencing a Location - Building Number. (Clarification)
17. Definition of "Specified causes of loss" is amended to further explain the meaning of water damage. Coverage for water damage is expanded to include accidental discharge or leakage of water or water-borne material as the direct result of the breaking apart or cracking of certain off-

premises systems due to wear and tear. (Broadening)

COMMERCIAL PROPERTY FORMS & ENDORSEMENTS (NOT SPECIAL PROGRAMS):

Below are Commercial Property forms and endorsements, other than our Special Program endorsements, that are amended to reflect changes in our revised **FM 101**. Since **FM 101** is our base form for Building and Personal Property coverage, each commercial property form or endorsement has incorporated all **FM 101** wording changes that apply.

Business Personal Property Extension of Coverage Endorsement - FM 201 05 16

Adds **FM 101** language for Trade Shows, to now indicate "Exhibitions, Fairs or Trade Shows". (Broadening)

Mortgage Interest Coverage Form - FA 102 05 16

Title is changed from "Mortgage Holder's Insurance Coverage Form" to "Mortgage Interest Coverage Form". This form incorporates all **FM 101** changes that apply to this endorsement. (Broadening)

Flood Coverage Endorsement - FA 104 05 16

Our endorsement is worded to buy back the Flood coverage in our **FM 101** Water exclusion. It incorporates ISO's **CP 10 65** Flood Coverage wording. (Clarification)

Temperature Change Loss Form - FA 202 05 16

Indicates that mechanical breakdown includes mechanical failure of the refrigerating, cooling, or humidity control apparatus. (Broadening)

Business Income (Without Extra Expense) Coverage Form - FA 212 05 16

Business Income (And Extra Expense) Coverage Form - FA 213 05 16

Extra Expense Coverage Form - FA 216 05 16

• Civil Authority

We incorporated ISO's civil authority wording in ISO's Business Income Forms to clarify coverage intent. ISO's Business Income Forms require that there be physical damage and that the damaged premise must be within one mile of the insured premises in order to qualify for Business Income Civil Authority coverage. However, we will not impose the one mile radius in the base **FM 101**, even though the intent of the coverage involves damage to a neighboring premise. (Broadening)

• Ingress/Egress

This is a new Additional Coverage added to our Business Income Forms at no extra cost. Coverage will apply within the Business In-

come limit and is not additional insurance. Coverage will apply for 30 consecutive days after the direct physical loss to the contiguous premises. This coverage is not part of the Business Income within the **FM 101**. (Broadening)

- **Newly Purchased or Leased Locations**

For covered property the phrase "acquired locations" has been replaced by the phrase "newly purchased or leased locations", and coverage may also include a building the insured must insure as required by a written contract. (Clarification)

- **Agreed Value Option**

If Agreed Value Optional Coverage applies, a Business Income Worksheet does not need to be considered a part of the policy, but still must be on file with the Company. (Broadening) (Not Applicable to **FA 216**)

Water Backup Discharged From Sewers, Drains, Septic or Sump Pump Systems Endorsement - FA 223 05 16

- Clarifies roof drains are covered by this endorsement. (Clarification)
- Adds language to clarify we do not pay to repair or replace a failed pump. (Clarification)
- Clarifies that coverage is determined by the proximate cause of the sewer backup (e.g., flood, Equipment Breakdown Coverage, Utility Services becomes primary). (Clarification)

Ordinance or Law Coverage - FA 231 05 16

Building Laws Safeguard Coverage - FA 441 05 16

Business Income Changes - Educational Institutions - FA 462 05 16

Ordinance or Law - Increased Period of Restoration - FA 463 05 16

Functional Building Valuation - FA 488 05 16

Incorporates language as described in **FM 101** Additional Coverage Ordinance or Law. For Ordinance or Law coverage the reference to enforcement of an ordinance or law is changed to include reference to a requirement to comply with an ordinance or law. (Broadening)

Printers Optional Coverage - FA 235 05 16

Adds expanded **FA 223** language for Water Backup Discharged From Sewers, Drains, Septic or Sump Pump Systems. See **FA 223** summary for details. (Broadening)

CinciPlus® Commercial Property XC® (Expanded Coverage) Endorsement - FA 237 05 16

CinciPlus® Commercial Property XC+® (Expanded Coverage Plus) Endorsement - FA 250 05 16

CinciPlus® Commercial Property Power XC® (Expanded Coverage) Endorsement - FA 257 05 16

CinciPlus® Commercial Property Power XC+® (Expanded Coverage Plus) Endorsement - FA 258 05 16

- **Ordinance or Law Coverage** - Formatting is amended to follow the reformatting of the **FM 101** Ordinance or Law Coverage. (Clarification)
- **Sewer Backup** - Adds expanded **FA 223** language for Water Backup Discharged From Sewers, Drains, Septic or Sump Pump Systems. See **FA 223** summary for details. (Clarification)
- **Fire Department Service Charge** - Clarifies our coverage limit applies in total regardless of how many fire departments respond or what type of services they provide. (Clarification)
- Adds **FM 101** wording changes for Business Income and Extra Expense, Ordinance or Law, and Utility Services. (Broadening)
- **Fine Arts** - Deletes coverage for Earthquake and Water to correspond with our **FM 101** exclusions. The exception to the Earth Movement and Water exclusions no longer applies to Fine Arts. (Reduction)

Printers Personal Property Coverage Endorsement - FA 238 05 16

Adds **FM 101** wording changes for Dishonest or Criminal Acts (previously Dishonest Acts), Collapse, Loss or Damage to Product (previously Work Process) exclusions. (Clarification)

Earthquake and Volcanic Eruption Endorsement - FA 240 05 16

Earthquake and Volcanic Eruption Endorsement - (Sublimit Form) - FA 241 05 16

- Definition of Earthquake is expanded to include tremors and aftershocks. (Broadening)
- If sprinkler leakage is the only loss from Earthquake that we are covering, then the Fire deductible applies instead of Earthquake deductible. (Broadening)
- We editorially changed "Sub-limit" to "Sublimit" in the title and text of endorsement **FA 241**. (Clarification).

Religious Institutions Property Coverage Endorsement - FA 243 05 16

Incorporates all **FM 101** wording changes that apply to this endorsement. Amends the definition of "Specified causes of loss" to clarify the meaning of water damage. (Clarification)

Manufacturers' Additional Coverage - FA 260 05 16

Incorporates all **FM 101** editorial changes that apply to this endorsement. (Clarification)

Manufacturers' Optional Coverage - FA 261 05 16

Adds expanded coverage found in the Electrical Apparatus endorsement (**FA 473**). (Broadening)

Pollutant Clean Up and Removal - Additional Aggregate Limit of Insurance - FA 291 05 16

This coverage requires a specific limit of insurance. Limits may be increased over the **FM 101** base limit of \$10,000. Previously we used ISO's Pollutant Clean Up endorsement **CP 04 07** and we have now introduced our own endorsement for the same purposes. (Clarification)

Business Personal Property Limited International Coverage - FA 4014 05 16

- Broadens coverage to track with ISO to include en-route to and from the temporary foreign location. Includes while airborne or waterborne. (Broadening)
- Clarifies that coverage is void if travel is in a country subject to United States economic or trade sanctions. (Clarification)

Business Income - Civil Authority Increased Coverage Period - FA 4016 05 16

- Our current endorsement is re-titled to add "Business Income" to reflect that it applies to Business Income coverages. (Clarification)
- Allows the 30 consecutive days coverage period to be increased. (Broadening)

Limitation on Loss Settlement - Margin Clause - FA 4043 05 16

- Our current endorsement is re-titled from "Margin Clause" to reflect this is a "Limitation on Loss Settlement" endorsement. (Clarification)
- Language is added to clarify when margin clause does and does not apply. Under this endorsement, loss payment on an individual property under the blanket is limited to its stated value plus a percentage of that value as shown in the Schedule. The margin does not increase the blanket Limit of Insurance. (Clarification)
- Examples are added to illustrate how the margin clause works. (Clarification)

Named Storm Percentage Deductible - FA 4061 05 16

- Calculation of the Deductible clarifies that if loss occurs to a building and the business personal property inside, that the deductible applies separately to each. This endorsement is available only in select states. (Clarification)

Condominium Association Property Coverage Enhancement - FA 4076 05 16**Condominium Commercial Unit-Owners Property Coverage Enhancement - FA 4077 05 16**

Adds **FM 101** Business Personal Property changes to cover Business Personal Property in a portable storage unit. (Broadening)

Windstorm or Hail Dollar Deductible - FA 4144 05 16**Windstorm or Hail Dollar Deductible Subject to Aggregate Deductible - FA 4145 05 16**

- The Windstorm or Hail Deductible is clarified by deleting language concerning concurrent or sequential causes of loss that occur along with the windstorm. (Clarification)
- Language is added that the deductible only applies once to all covered property at each premises shown in the endorsement schedule. (Broadening)

Newly Purchased, Leased or Constructed Property - Increased Limit - FA 442 05 16

The title and text of the endorsement is changed to reflect **FM 101** wording. The phrase "newly acquired or constructed" is replaced by the phrase "newly purchased, leased or constructed". (Clarification)

Funeral Directors Coverage Enhancement - FA 448 05 16

- Adds expanded **FA 223** language for Water Backup Discharged From Sewers, Drains, Septic or Sump Pump Systems. See **FA 223** summary for details. (Broadening)
- Provides water damage coverage for jewelry and furs. (Broadening)

Commercial Property Conditions - FA 450 05 16

Definition of loss is deleted since this definition is now part of **FM 101**. (Clarification)

Utility Services - Time Element - FA 460 05 16**Utility Services - Direct Damage - FA 472 05 16**

- These separate endorsements contain the same coverage changes as detailed in the **FM 101** Utility Services coverage extension. "Service lines" is added to the definition. Exclusion is now referred to as "overhead lines of any type." (Broadening)
- Language stipulating whether the Utility Services equipment is on or off premises has been deleted and the focus is placed on the origin of the utility service. So a transformer on the insured's premises is clearly still part of the Utility system. (Clarification)

Extra Expense From Dependent Properties - FA 461 05 16**Business Income From Dependent Properties - Limited Form - FA 466 05 16****Business Income From Dependent Properties - Broad Form - FA 467 05 16**

- We have clarified that all dependent locations must be located within the coverage territory. (Broadening)
- Wastewater services is added to the eligible list of dependent properties. (Broadening)
- Miscellaneous Locations description is expanded to make it explicit that highways and other transportation conduits are not considered to be miscellaneous locations. (Clarification)

Outdoor Trees, Shrubs and Plants - FA 470 05 16

Clarifies that coverage does not apply to trees, shrubs or plants that are part of a vegetative roof. Vegetative roofs are considered part of the building and therefore not considered Outdoor Property. (Clarification)

Debris Removal - Scheduled Additional Limits of Insurance - FA 471 05 16

This coverage requires a specific limit of insurance. Limits may be increased over the \$10,000 **FM 101** base excess limit for debris removal. (Broadening)

Electrical Apparatus - FA 473 05 16

Adds verbiage clarifying what is meant by electrical, magnetic or electromagnetic energy. (Clarification)

Windstorm or Hail Percentage Deductible - FA 474 05 16

- The Windstorm or Hail Deductible is clarified by deleting language concerning concurrent or sequential causes of loss that occur along with the windstorm. (Clarification)
- Calculation of the Deductible clarifies that if loss occurs to a building and the business personal property inside, that the deductible applies separately to each. (Clarification)

SPECIAL PROGRAM ENDORSEMENTS:

We have Special Programs which focus on market specialization by providing commercial products for specific market segments. Below are our Special Program endorsements that are amended to reflect changes in our revised **FM 101**. Since **FM 101** is our base form for Building and Personal Property coverage, each Special Program endorsement has incorporated all **FM 101** wording changes that apply.

Home Health Care Commercial Property Endorsement - FA 262 05 16

- The form title is changed from "CinciPlus® Home Health Care Property Endorsement" to "Home Health Care Commercial Property Endorsement". (Clarification)
- Coverage Extension Mobile Medical Equipment is amended from "mobile" to show as "portable". (Clarification)
- Coverage Extension Money and Securities - Resident or Client indicates the most we will pay in any one occurrence is \$500, subject to an aggregate of \$5,000 in any "coverage term", and this is not changing. But the endorsement Schedule is clarified by adding the \$5,000 in any "coverage term" Limit for Money and Securities. (Clarification)
- The term "exhibitions or trade shows" is updated to "exhibitions, fairs or trade shows" since it is more contemporary language. (Broadening)

Synthetic Turf, Field or Track Endorsement - FA 280 05 16

In Item **B**, indicating that a loss will be paid, the phrase, "in any one occurrence", has been moved to be in front of the Limit of Insurance, for emphasis, rather than having the phrase at the end of the sentence. This is an editorial change only. (Clarification)

Water Utilities Commercial Property Endorsement - FA 263 05 16**Manufacturers' Commercial Property Endorsement - FA 267 05 16****Hotel Commercial Property Endorsement - FA 268 05 16****Fitness & Recreation Expanded Commercial Property Endorsement - FA 271 05 16****Craft Beverage Commercial Property Endorsement - FA 272 05 16****Medical Facility Commercial Property Endorsement - FA 4134 05 16**

- The **FM 101, A.5. Coverage Extensions, j. Nonowned Building Damage** has revised language which is incorporated into each endorsement having Nonowned Building Damage coverage. Language is clarified to apply to the building the tenant occupies if the lease makes the tenant legally liable for direct losses. We will pay for direct loss to the building caused by burglary, robbery, theft or attempted theft. This extension does not apply if the lease requires the tenant to insure the building. (Clarification)
- **FA 267** only: The endorsement has a Table of Contents added at the beginning to list each section and its corresponding page number. (Clarification)

Medical Facility Commercial Property Endorsement - FA 4134 05 16

- Coverage Extension Mobile Medical Equipment is amended from "mobile" to show as "portable". (Clarification)

Water Utilities Commercial Property Endorsement - FA 263 05 16**Golf & Country Club Commercial Property Endorsement - FA 266 05 16****Manufacturers' Commercial Property Endorsement - FA 267 05 16****Hotel Commercial Property Endorsement - FA 268 05 16****Social Services Commercial Property Endorsement - FA 269 05 16****Fitness & Recreation Expanded Commercial Property Endorsement - FA 271 05 16****Craft Beverage Commercial Property Endorsement - FA 272 05 16****Educational Institutions Commercial Property Endorsement - FA 282 05 16****Health Care Facility Commercial Property Endorsement - FA 285 05 16****Medical Facility Commercial Property Endorsement - FA 4134 05 16**

- For each endorsement with a Water Backup coverage extension, expanded language is added for Water Backup Discharged From Sewers, Drains, Septic or Sump Pump Systems, including the new terms "discharged", "septic" and "pump systems". (Clarification)
- "Waterborne material" is added as included along with water in the Water Backup coverage extension. (Broadening)
- The **FM 101, A.4. Additional Coverages, g. Ordinance or Law** has revised language which is incorporated into each endorsement having Ordinance or Law coverage. Language is amended to include "compliance" with the required ordinance or law that deals with rebuilding after a loss. (Clarification) (Not Applicable to **FA 285**)
- For each endorsement with fairs or exhibitions coverage, the term "fairs or exhibitions" is updated to "exhibitions, fairs or trade shows" since it is more contemporary language. (Broadening) (Not Applicable to **FA 285**)
- For each endorsement where applicable, revised **FM 101** coverage extension language is added to replace wording previously referred to as "newly acquired or constructed property". The word "acquired" has been deleted and replaced with "purchased, leased" to more clearly state our coverage intent and not provide coverage for short term storage situations. "Newly acquired locations" are replaced with

"newly purchased or leased locations", "newly acquired Electronic Data Processing Property" is replaced with "newly purchased or leased Electronic Data Processing Property", and "newly acquired or constructed property" is replaced with "newly purchased, leased or constructed property". (Clarification) (Not Applicable to **FA 285**)

- For each endorsement which refers to this **FM 101** exclusion, revised **FM 101** language is added for Dishonest or Criminal Acts (previously Dishonest Acts). (Clarification) (Not Applicable to **FA 285**)
- For each endorsement which refers to the **FM 101** Covered Causes of Loss, revised **FM 101** language is added for **3.a. Covered Causes of Loss** (previously **Risks of Direct Physical Loss**). (Clarification)
- For each endorsement with a Utility Services coverage extension, the **FM 101** broadened language for **q. Utility Services** is added to the endorsement. (Broadening)
- Under the Utility Services coverage extension, Wastewater/Sewage treatment facilities are being added as a utility service for Business Income only. However, coverage does not apply if the wastewater removal facility is overwhelmed itself with heavy rainfall or flooding. That falls under any Flood coverage, not Utility Services. (Broadening)
- Under the Utility Services coverage extension, Communication Supply Services includes service relating to Internet access or access to electronic, cellular, or satellite networks. (Broadening)
- Under the Utility Services coverage extension, while the Utility Services exclusions are concerned with whether the Utility Service is on or off premises, the coverage extension focuses on the source of the utility failure. (Broadening)
- Under the Utility Services coverage extension, the "Overhead Transmission and Distribution Lines" reference has been broadened to apply to overhead lines of any type. (Broadening)

Fitness & Recreation Property Endorsement - FA 264 05 16

- For fairs or exhibitions coverage, the term "fairs or exhibitions" is updated to "exhibitions, fairs or trade shows" since it is more contemporary language. (Broadening)
- Since all coverage limits are shown in the endorsement Schedule, in the text of the endorsement we removed the dollar amount of limits we will pay for each coverage, and instead we refer to the limits amounts shown in the Schedule. (Clarification)

Hotel Commercial Property Endorsement - FA 268 05 16

- The **FM 101, A.5. Coverage Extensions, b. Business Income and Extra Expense, (4) Civil Authority** is renumbered as **(3)**. We fixed the reference to this extension to **(3)** in the endorsement. (Clarification)
- The **FM 101** revised **(3)** Civil Authority language is added to the endorsement to clarify coverage intent. (Clarification)
- Revised **FM 101** language is added for Voluntary Parting Under False Pretense exclusion (previously False Pretense). (Clarification)

Commercial Property Green Endorsement - FA 270 05 16

- We removed reference to **FM 101, A.5. Coverage Extensions, g. Fungi, Wet Rot, Dry Rot, and Bacteria - Limited Coverage** because this limited coverage no longer exists for vegetative roofs. **FM 101, Item g.(7)** indicates that the Fungi coverage extension does not apply to vegetative roofs. (Broadening)
- This endorsement reflects the revised **FM 101** coverage extension language, previously referred to as "newly acquired or constructed property". "Newly acquired or constructed property" is replaced with "Newly purchased, leased or constructed property". (Clarification)

Social Services Commercial Property Endorsement - FA 269 05 16**Educational Institutions Commercial Property Endorsement - FA 282 05 16****The Bridge Endorsement - FA 286 05 16**

- The **FM 101, A.5. Coverage Extensions, b. Business Income and Extra Expense, (3) Tenant Premises** no longer exists in the revised **FM 101**. So we completely removed reference to this extension in the Premises Boundary Increase section of our endorsement. (Reduction)
- The **FM 101, A.5. Coverage Extensions, b. Business Income and Extra Expense, (5) Alterations and New Buildings** is renumbered as **(4)**. We have fixed any references to this extension to **(4)** in the endorsement. (Clarification)
- Revised **FM 101** language is added for Voluntary Parting Under False Pretense exclusion (previously False Pretense). (Clarification) (Applicable to **FA 282** only)

Brewery Property Endorsement - FA 273 05 16**Winery Property Endorsement - FA 274 05 16****Distillery Property Endorsement - FA 275 05 16**

- The endorsement has a Table of Contents added at the beginning to list each section and its corresponding page number. (Clarification)

- In paragraphs indicating that a loss will be paid, the phrase "in any one occurrence" or "in any one coverage term" has been moved to be in front of the Limit of Insurance, for emphasis, rather than having the phrase at the end of the sentence. (Clarification)
- The item Tank Collapse clarifies policy intent that an insured event of collapse must be abrupt and clarifies that the collapse coverage includes a building "or structure" or any part of a building "or structure". (Clarification)
- The items Tank Collapse and Tank Leakage each have revised wording for implosion or inward collapse of a tank. Coverage is broadened because we have removed language concerning the cause of the implosion or inward collapse. For Tank Collapse we removed the wording "due to the failure of a pressure relief device on the tank". For Tank Leakage we removed the wording "due to the failure of a pressure relief device on the tank, vessel or barrel". (Broadening)

Restaurant Property Endorsement - FA 276 05 16

- In paragraphs indicating that a loss will be paid, the phrase "in any one occurrence" or "in any one coverage term" has been moved to be in front of the Limit of Insurance, for emphasis, rather than having the phrase at the end of the sentence. (Clarification)
- The endorsement has a Table of Contents added at the beginning to list each section and its corresponding page number. (Clarification)

Crisis Event Expense Coverage Endorsement - FA 283 05 16

Under Item **D.1.** revised **FM 101** wording is added for Dishonest or Criminal Acts (previously Dishonest Acts) exclusion. (Clarification)

Golf & Country Club Outdoor Trees, Shrubs and Plants - FA 288 05 16

- Clarifies that coverage does not apply to trees, shrubs or plants that are part of a vegetative roof. Vegetative roofs are considered part of the building and therefore not considered Outdoor Property. (Clarification)

Distilled Spirits and Wines Market Value - FA 456 05 16

- All mention of "loss" is now described as direct "loss", for clarification purposes. (Clarification)
- The endorsement has a Table of Contents added at the beginning to list each section and its corresponding page number. (Clarification)

NOTICE TO POLICYHOLDERS

CinciPak™ PACKAGE PROGRAM

DESCRIPTION OF REVISIONS

EDITION 05 16

This is a summary of the major changes in your CinciPak™ Package Program. NO COVERAGE IS PROVIDED BY THIS SUMMARY 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. If there is any conflict between the policy and this summary, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

The areas within the policy that broaden, reduce or clarify coverage are indicated below. The material is organized by individual coverage forms; however, not all coverage forms are included in a particular policy.

CinciPak™ Commercial Property Amendatory Endorsement - FCP 201

- **Fire Protection Equipment Recharge - Actual Expenses Incurred**

Clarifying the limit of insurance to state "the most we will pay in any one occurrence under this Additional Coverage is the reasonable and necessary expenses you incur to recharge your automatic fire suppression system or portable fire extinguishers." - (Clarification)

- **Fine Arts**

V. SECTION A. COVERAGE, B., 2. Fine Arts - previous Item **b.** is deleted.

This item deleted the exclusion in the **COMMERCIAL PROPERTY COVERAGE PART** for Earth Movement and Water. Coverage for Earth Movement and Water may be available for a premium on the **COMMERCIAL PROPERTY COVERAGE PART**. (Reduction)

CinciPak™ Business Income (And Extra Expense) Amendatory Endorsement - FCP 202

- **Utility Services**

Communication Supply Property includes service relating to Internet access or access to electronic, cellular, or satellite networks. (Broadening)

The overhead transmission and distribution lines reference has been clarified to apply to overhead lines of any type. (Clarification)

Wastewater/Sewage treatment facilities are being added as a utility service for Business Income only. However, coverage does not apply if the wastewater removal facility is overwhelmed itself with heavy rainfall or flooding. That falls under any Flood coverage, not Utility Services. (Broadening)

CinciPak™ Actual Loss Sustained Business Income Endorsement - FCP 203

Clause stating that business income coverage is subject to annual rerating is deleted, as business

income coverage isn't rated for in the CinciPak program. (Clarification)

CinciPlus® CinciPak™ Property XC+ (Expanded Coverage Plus) Endorsement - FCP 204

- **Accounts Receivable**

Clarified that the Accounts Receivable Away From Your Premises limit of insurance is not included within the Blanket Basket Endorsement and is a separate limit of insurance. (Clarification)

- **Electronic Data Processing Property**

Newly Acquired Electronic Data Processing Property is renamed Newly Purchased Electronic Data Processing Property. (Clarification)

- **Ordinance or Law**

This item is rewritten for clarification due to reformatting of the **FM 101** Ordinance or Law Coverage. (Clarification)

- **Valuable Papers and Records**

Clarified that the Valuable Papers and Records Away From Your Premises limit of insurance is not included within the Blanket Basket Endorsement and is a separate limit of insurance. (Clarification)

- **Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**

Clarified that the limit of insurance includes any applicable "Business Income", "Rental Value" and Extra Expense. (Clarification)

- **Temperature Change**

Clarified that the limit of insurance includes any applicable "Business Income", "Rental Value" and Extra Expense. (Clarification)

CinciPak™ Manufacturers Business Income (And Extra Expense) Amendatory Endorsement - FCP 205

- **Utility Services**

Communication Supply Property includes service relating to Internet access or access to electronic, cellular, or satellite networks. (Broadening)

The overhead transmission and distribution lines reference has been clarified to apply to overhead lines of any type. (Clarification)

Wastewater/Sewage treatment facilities are being added as a utility service for Business Income only. However, coverage does not apply if the wastewater removal facility is overwhelmed itself with heavy rainfall or flooding. That falls under any Flood coverage, not Utility Services. (Broadening)

CinciPak™ Medical and Dental Office Actual Loss Sustained Business Income Endorsement - FCP 206

Clause stating that business income coverage is subject to annual ratering is deleted, as business income coverage isn't rated for in the CinciPak program. (Clarification)

CinciPak™ Condominium Association Property Coverage Enhancement - FCP 208

Added **FM 101** business personal property changes to cover business personal property in a portable storage unit.

CinciPak™ Condominium Commercial Unit-Owners Property Coverage Enhancement - FCP 209

Added **FM 101** business personal property changes to cover business personal property in a portable storage unit. (Broadening)

CinciPak™ Medical or Dental Office Commercial Property Coverage Enhancement - FCP 211

- **Utility Services**

Communication Supply Property includes service relating to Internet access or access to electronic, cellular, or satellite networks. (Broadening)

The overhead transmission and distribution lines reference has been clarified to apply to overhead lines of any type. (Clarification)

- **Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**

Clarified that the limit of insurance includes any applicable "Business Income", "Rental Value" and Extra Expense. (Clarification)

CinciPak™ Medical or Dental Office Commercial Property Coverage Enhancement - With Utility Services Enhancement - FCP 212

- **Utility Services**

Communication Supply Property includes service relating to Internet access or access to electronic, cellular, or satellite networks. (Broadening)

The overhead transmission and distribution lines reference has been clarified to apply to overhead lines of any type. (Clarification)

- **Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**

Clarified that the limit of insurance includes any applicable "Business Income", "Rental Value" and Extra Expense. (Clarification)

CinciPak™ Medical/Dental Office Business Income (And Extra Expense) Amendatory Endorsement With Utility Services Enhancement - FCP 213

- **Utility Services**

Communication Supply Property includes service relating to Internet access or access to electronic, cellular, or satellite networks. (Broadening)

The overhead transmission and distribution lines reference has been clarified to apply to overhead lines of any type. (Clarification)

Wastewater/Sewage treatment facilities are being added as a utility service for Business Income only. However, coverage does not apply if the wastewater removal facility is overwhelmed itself with heavy rainfall or flooding. That falls under any Flood coverage, not Utility Services. (Broadening)

CinciPlus® CinciPak™ Property Power XC+ (Expanded Overage Plus) Endorsement - FCP 215

- **Accounts Receivable**

Clarified that the Accounts Receivable Away From Your Premises limit of insurance is not included within the Blanket Basket Endorsement and is a separate limit of insurance. (Clarification)

- **Electronic Data Processing Property**

Newly Acquired Electronic Data Processing Property is renamed Newly Purchased Electronic Data Processing Property. (Clarification)

- **Ordinance or Law**

This item is rewritten for clarification due to reformatting of the **FM 101** Ordinance or Law Coverage. (Clarification)

- **Valuable Papers and Records**

Clarified that the Valuable Papers and Records Away From Your Premises limit of insurance is not included within the Blanket Basket Endorsement and is a separate limit of insurance. (Clarification)

- **Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**

Clarified that the limit of insurance includes any applicable "Business Income", "Rental Value" and Extra Expense. (Clarification)

- **Temperature Change**

Clarified that the limit of insurance includes any applicable "Business Income", "Rental Value" and Extra Expense. (Clarification)

- **Utility Services**

Communication Supply Property includes service relating to Internet access or access to electronic, cellular, or satellite networks. (Broadening)

The overhead transmission and distribution lines reference has been clarified to apply to overhead lines of any type. (Clarification)

Wastewater/Sewage treatment facilities are being added as a utility service for Business Income only. However, coverage does not apply if the wastewater removal facility is overwhelmed itself with heavy rainfall or flooding, that falls under any Flood coverage, not Utility Services. (Broadening)

CinciPlus® CinciPak™ Medical/Dental Office Property XC+ (Expanded Coverage Plus) Endorsement - FCP 217

- **Accounts Receivable**

Clarified that the Accounts Receivable Away From Your Premises limit of insurance is not included within the Blanket Basket Endorsement and is a separate limit of insurance. (Clarification)

- **Electronic Data Processing Property**

Newly Acquired Electronic Data Processing Property is renamed Newly Purchased Electronic Data Processing Property. (Clarification)

- **Ordinance or Law**

This item is rewritten for clarification due to reformatting of the **FM 101** Ordinance or Law Coverage. (Clarification)

- **Valuable Papers and Records**

Clarified that the Valuable Papers and Records Away From Your Premises limit of insurance is not included within the Blanket Basket Endorsement and is a separate limit of insurance. (Clarification)

- **Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**

Clarified that the limit of insurance includes any applicable "Business Income", "Rental Value" and Extra Expense. (Clarification)

- **Temperature Change**

Clarified that the limit of insurance includes any applicable "Business Income", "Rental Value" and Extra Expense. (Clarification)

CinciPak™ Funeral Directors Coverage Enhancement - FCP 221

- **Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**

Added revised language. (Broadening)

Clarified that the limit of insurance includes any applicable "Business Income", "Rental Value" and Extra Expense. (Clarification)

CinciPak™ Manufacturers Optional Coverage - FCP 222

- **Artificially Generated Electrical Current**

Added the expanded coverage for electrical apparatus, which adds verbiage clarifying what is meant by electrical, magnetic or electromagnetic energy. (Broadening)

CinciPak™ Medical or Dental Office Condominium Commercial Unit-Owners Property Coverage Enhancement - FCP 230

Added **FM 101** business personal property changes to cover business personal property in a portable storage unit. (Broadening)

CinciPak™ Veterinarian Office Actual Loss Sustained Business Income Endorsement - FCP 231

Clause stating that business income coverage is subject to annual ratering is deleted, as business income coverage isn't rated for in the CinciPak program. (Clarification)

CinciPak™ Veterinarian Office Commercial Property Coverage Enhancement - FCP 232

- **Utility Services**

Communication Supply Property includes service relating to Internet access or access to electronic, cellular, or satellite networks. (Broadening)

The overhead transmission and distribution lines reference has been clarified to apply to overhead lines of any type. (Clarification)

- **Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**

Clarified that the limit of insurance includes any applicable "Business Income", "Rental Value" and Extra Expense. (Clarification)

CinciPak™ Veterinarian Office Commercial Property Coverage Enhancement - With Utility Services Enhancement - FCP 233

- **Utility Services**

Communication Supply Property includes service relating to Internet access or access to electronic, cellular, or satellite networks. (Broadening)

The overhead transmission and distribution lines reference has been clarified to apply to overhead lines of any type. (Clarification)

- **Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**

Clarified that the limit of insurance includes any applicable "Business Income", "Rental Value" and Extra Expense. (Clarification)

CinciPak™ Veterinarian Office Business Income (And Extra Expense) Amendatory Endorsement With Utility Services Enhancement - FCP 234

- **Utility Services**

Communication Supply Property includes service relating to Internet access or access to electronic, cellular, or satellite networks. (Broadening)

The overhead transmission and distribution lines reference has been clarified to apply to overhead lines of any type. (Clarification)

Wastewater/Sewage treatment facilities are being added as a utility service for Business Income only. However, coverage does not apply if the wastewater removal facility is overwhelmed itself with heavy rainfall or flooding. That falls under any Flood coverage, not Utility Services. (Broadening)

CinciPlus® CinciPak™ CinciPak Veterinarian Office Property XC+ (Expanded Coverage Plus) Endorsement - FCP 235

- **Accounts Receivable**

Clarified that the Accounts Receivable Away From Your Premises limit of insurance is not included within the Blanket Basket Endorsement and is a separate limit of insurance. (Clarification)

- **Electronic Data Processing Property**

Newly Acquired Electronic Data Processing Property is renamed Newly Purchased Electronic Data Processing Property. (Clarification)

- **Ordinance or Law**

This item is rewritten for clarification due to reformatting of the **FM 101** Ordinance or Law Coverage. (Clarification)

- **Valuable Papers and Records**

Clarified that the Valuable Papers and Records Away From Your Premises limit of insurance is not

included within the Blanket Basket Endorsement and is a separate limit of insurance. (Clarification)

- **Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**

Clarified that the limit of insurance includes any applicable "Business Income", "Rental Value" and Extra Expense. (Clarification)

- **Temperature Change**

Clarified that the limit of insurance includes any applicable "Business Income", "Rental Value" and Extra Expense. (Clarification)

CinciPak™ Veterinarian Office Condominium Commercial Unit-Owners Property Coverage Enhancement - FCP 236

Added **FM 101** business personal property changes to cover business personal property in a portable storage unit. (Broadening)

CinciPak™ Veterinarian Office Business Income (And Extra Expense) Amendatory Endorsement - FCP 237

- **Utility Services**

Communication Supply Property includes service relating to Internet access or access to electronic, cellular, or satellite networks. (Broadening)

The overhead transmission and distribution lines reference has been clarified to apply to overhead lines of any type. (Clarification)

Wastewater/Sewage treatment facilities are being added as a utility service for Business Income only. However, coverage does not apply if the wastewater removal facility is overwhelmed itself with heavy rainfall or flooding. That falls under any Flood coverage, not Utility Services. (Broadening)

CinciPak™ Medical/Dental Office Business Income (And Extra Expense) Amendatory Endorsement - FCP 402

- **Utility Services**

Communication Supply Property includes service relating to Internet access or access to electronic, cellular, or satellite networks. (Broadening)

The overhead transmission and distribution lines reference has been clarified to apply to overhead lines of any type. (Clarification)

Wastewater/Sewage treatment facilities are being added as a utility service for Business Income only. However, coverage does not apply if the wastewater removal facility is overwhelmed itself with heavy rainfall or flooding. That falls under any Flood coverage, not Utility Services. (Broadening)

CinciPlus[®]
CinciPak[™]
MEDICAL/DENTAL OFFICE
PROPERTY XC+[®] (EXPANDED COVERAGE PLUS)
ENDORSEMENT
SUMMARY OF COVERAGE LIMITS

This is a summary of the Coverages and the Limits of Insurance provided by the CinciPlus[®] CinciPak[™] Medical/Dental Office Property XC+[®] (Expanded Coverage Plus) Endorsement, **FCP 217**, in combination with the Commercial Property Coverage Form, **FM 101**, which are included in this policy. **No coverage is provided by this summary.** Refer to endorsement **FCP 217** and the Commercial Property Coverage Form, **FM 101**, to determine the scope of your insurance protection.

<u>Blanket Coverages:</u>	<u>Blanket Coverage Limit:</u>	Page No. FCP217
	\$ 150,000 in total for all loss arising from all Blanket Coverages arising from a single occurrence, except as noted otherwise in the form.	
Accounts Receivable		1
Debris Removal		6
Electronic Data Processing Property (EDP):		2
Duplicate and Backup Electronic Data		2
Newly Purchased EDP		2
In Transit or Away From Premises		3
Worldwide Laptop Coverage		3
Ordinance or Law (Increased Construction Costs and Demolition)		4
Peak Season		5
Personal Property of Others		5
Tenant Move Back Expenses		5
Valuable Papers and Records		4
Water Backup from Sewers, Drains or Sump Pumps		10

<u>Other Coverages</u> (not subject to Blanket Coverage Limit):	<u>Limit of Insurance:</u>	Page No. FCP217
Brands and Labels	\$25,000	8
Business Income and Extra Expense:		
Interruption of Computer Operations	\$25,000 (sub-limit, subject to a 24 hour deductible)	1

<u>Other Coverages</u> (not subject to Blanket Coverage Limit):	<u>Limit of Insurance:</u>	Page No. FCP217
Inflation Guard	4% on all Building Property referenced in the Declarations	8
Lessor's Leasehold Interest	Actual loss sustained up to \$25,000	9
Limitation - Personal Property Theft:		8
Furs, fur garments and garments trimmed with fur	\$2,500	8
Jewelry, watches, watch movements, jewels, pearls and precious and semi-precious stones.	\$5,000 (Limitation not applicable to watches and jewelry worth \$500 or less per item.)	8
Bullion, gold, silver, platinum and other precious alloys or metals	\$25,000	8
Patterns, dies, molds and forms	\$2,500	9
Nonowned Building Damage:		7
Loss caused by theft, burglary or robbery	Up to the Business Personal Property (BPP) Limit of Insurance	8
Loss by any other Covered Cause of Loss	\$25,000 or the BPP Limit of Insurance (whichever is less)	8
Ordinance or Law (other than Increased Construction Costs and Demolition)	Subject to the Building Limit of Insurance	4
Ordinance or Law - Increased Period of Restoration	\$50,000	10
Outdoor Property	\$25,000 (\$1,000 for any one tree, shrub or plant)	5
Temperature Change	\$50,000	6
Unauthorized Business Card Use	\$5,000	9

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**CinciPak™****COMMERCIAL PROPERTY AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

I. SECTION A. COVERAGE, Paragraph 2. Property Not Covered is amended as follows:

Subparagraphs **f., g., i., j., k., m. and n.** are deleted in their entirety.

II. SECTION A. COVERAGE, Paragraph 3. Covered Causes of Loss, b. Exclusions, (4) Special Exclusions is amended as follows:

Special Exclusions **(a)** and **(b)** are deleted in their entirety.

III. SECTION A. COVERAGE, Paragraph 3. Covered Causes of Loss, c. Limitations is amended as follows:

A. Subparagraph (1) Limitations - Various Types of Property is amended as follows:

1. Limitation **(c) Building Interiors** is deleted in its entirety and replaced by the following:

(c) Building Interiors

The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- 1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
- 2) The "loss" is caused by or results from thawing of snow, sleet or ice on the building or structure.

2. Limitation **(d) Theft of Building Materials** is deleted in its entirety.

B. Subparagraph (3) Limitation - Personal Property Theft, item (d) is deleted in its entirety.

IV. SECTION A. COVERAGE, Paragraph 4. Additional Coverages is amended as follows:

A. The following Additional Coverages are amended as follows:

1. The Limit of Insurance referenced in Subparagraph **(4)** of **b. Debris Removal** is amended to \$25,000.
2. The Limit of Insurance referenced in **c. Fire Department Service Charge** is amended to \$25,000.

3. Fire Protection Equipment Recharge - Actual Expenses Incurred

For this endorsement only, the last paragraph in **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages, d. Fire Protection Equipment Recharge** is deleted in its entirety and replaced by the following:

The most we will pay in any one occurrence under this Additional Coverage is the reasonable and necessary expenses you incur to recharge your automatic fire suppression system or portable fire extinguishers. This coverage is in addition to the Limits of Insurance shown in the Declarations.

4. g. Ordinance or Law is amended as follows:

- a. The Limit of Insurance referenced in the last paragraph is amended to \$25,000; and
- b. Paragraph **(1)** is amended to include the following:

(d) Cost to Repair, Rebuild or Reconstruct Tenants Improvements and Betterments

The increased cost to repair, rebuild or reconstruct tenant's improvements and betterments, as described in **SECTION A. COVERAGE; 1. Covered Property, d.**

Business Personal Property, Subparagraph (6), caused by enforcement of building, zoning or land use ordinance or law.

5. The Limit of Insurance referenced in **h. Pollutant Clean Up and Removal** is amended to \$25,000.

6. The number of days referenced in Subparagraph (2) of **i. Preservation of Property** is amended to 90.

B. The following **Additional Coverages** are added:

1. Peak Season Limit Increase

a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.

b. This increase 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" occurs; or

(2) The period of time you have been in business as of the date the "loss" occurs.

2. Leasehold Improvements

If your lease is cancelled in accordance with a valid lease provision as the direct result of a Covered Cause of Loss to property at the location in which you are a tenant, and you cannot legally remove Tenant Improvements and Betterments, as described in **SECTION A. COVERAGE; 1. Covered Property, d. Business Personal Property**, Subparagraph (6), we will extend Business Personal Property coverage to apply to the unamortized value of Tenant Improvement and Betterment that remain and that you were forced to abandon.

The most we will pay for "loss" in any one occurrence under this Additional Coverage is \$25,000.

3. Lease Assessment

Your Business Personal Property is extended to apply to your share of any assessment charged to all tenants by the building owner as a result

of direct physical damage caused by or resulting from a Covered Cause of Loss to building property you occupy as agreed to in your written lease agreement.

The most we will pay for "loss" in any one occurrence under this Additional Coverage is \$2,500.

4. Temporary Relocation of Property

(1) If Covered Property is removed from the "premises" and stored temporarily at a location you own, lease or operate while the "premises" is being renovated or remodeled, we will pay for direct "loss" of that stored property:

(a) Caused by or resulting from a Covered Cause of Loss;

(b) Up to \$50,000 at each temporary location in any one occurrence; and

(c) During the storage period of up to 90 consecutive days but not beyond the expiration of this policy.

(2) This Additional Coverage does not apply if the stored property is more specifically insured.

V. SECTION A. COVERAGE, Paragraph 5. **Coverage Extensions** is amended as follows:

A. The following **Coverage Extensions** are amended as follows:

1. Coverage Extension a. Accounts Receivable is amended as follows:

a. The Limit of Insurance referenced in Subparagraph (3)(b) **Away From Your Premises** is amended to \$25,000; and

b. The last Paragraph is deleted in its entirety and replaced by the following:

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$50,000.

2. Coverage Extension b. Business Income and Extra Expense is amended to include the following:

(9) Business Income From Dependent Properties

(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 "loss" to "dependent property" caused by or resulting from any Covered Cause of Loss.

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

The most we will pay for "loss" in any one occurrence for each "dependent property" location is \$10,000. This \$10,000 of coverage for Business Income From Dependent Properties does not increase the Limit of Insurance provided in this Coverage Extension.

- (b) 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:

- 1) Source of materials; or
- 2) Outlet for your products.

- (c) 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.

- (d) **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following definition:

"Dependent property" means property operated by others whom you depend on to:

- 1) Deliver materials or services to you, or to others for your account (Contributing Locations). But, any property which delivers the following services is not a Contributing Location with respect to such services:

- a) Water supply services;
- b) Power supply services;
- c) Communication supply services, including services relating to internet access or access to any electronic network;

- 2) Accept your products or services;
- 3) Manufacture products for delivery to your customers under contract for sale; or
- 4) Attract customers to your business.

The "dependent property" must be located in the coverage territory of this Coverage Part.

- (e) In **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS**, the "Period of restoration" Definition, with respect to "dependent property", is replaced by the following:

"Period of restoration" means the period of time that:

- 1) Begins twenty-four (24) hours after the time of direct "loss" caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
- 2) Ends on the date when the property at the premises of the "dependent property" should be repaired, re-

built or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

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

The expiration date of this Coverage Part will not cut short the "period of restoration".

3. The Limit of Insurance referenced in **f. Fences** is amended to \$10,000.
4. The Limit of Insurance referenced in **h. Glass** Subparagraph (2) is amended to \$25,000
5. In Coverage Extension, **i. Newly Purchased, Leased, or Constructed Property**, Paragraphs (3)(b), (3)(c) and (3)(d) the number 90 is deleted and replaced by the number 180.
6. The last paragraph of **j. Nonowned Building Damage** is deleted in its entirety and replaced by the following:

The most we will pay for "loss" in any one occurrence under this Coverage Extension is your Business Personal Property Limit of Insurance for the "premises" where the "loss" occurs.

7. Coverage Extension **k. Outdoor Property** is deleted in its entirety and replaced by the following:

k. Outdoor Property

We will pay for direct "loss" caused by a Covered Cause of Loss to the following types of your Covered Property:

- (1) Radio antennas, television antennas or satellite dishes

(including their lead-in wiring, masts and towers); and

- (2) Trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or part of a vegetative roof), including debris removal;

but only if caused by or resulting from any of the following causes of loss if they are included as Covered Causes of Loss under this Coverage Part:

- (a) Fire;
- (b) Lightning;
- (c) Explosion;
- (d) Riot or Civil Commotion;
- (e) Aircraft;
- (f) Falling objects;
- (g) Theft; or
- (h) Vehicle; and

- (3) Awnings that are attached to a building that you occupy as a tenant.

We will pay for the debris removal expenses of the above type property that are not your Covered Property if such debris is on your "premises" due to the Covered Causes of Loss described in this Coverage Extension. If you are a tenant, we do not pay debris removal expenses for trees, plants, or shrubs owned by the landlord or owner of the building you occupy.

No other coverage for debris removal expenses provided in this Coverage Part applies to this Outdoor Property Coverage Extension.

The most we will pay for "loss" in any one occurrence under the Coverage Extension is \$10,000, but not more than \$1,000 for any one tree, shrub or plant.

8. **SECTION A, COVERAGE 5. Coverage Extensions I. Personal Effects** is deleted in its entirety and replaced by the following:

I. Personal Effects

If business personal property is Covered Property in this Cover-

age Part, we will pay for direct "loss" caused by a Covered Cause of Loss to personal effects owned by:

- (1) You, your officers, or your partners, or if you are a limited liability company, your members or your managers; or
- (2) Your employees (including temporary and leased employees), including tools owned by your employees that are used in your business.

This Coverage Extension does not apply to "money" or "securities".

The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$25,000.

9. The Limit of Insurance referenced in **n, Signs** is amended to \$10,000.
 10. The Limit of Insurance referenced in **r. Valuable Papers and Records** Subparagraph **(4)(b) Away From Your Premises** is amended to \$25,000.
- B. The following Coverage Extensions are added:**
1. **Appurtenant Buildings and Structures**
 - a. When a Limit of Insurance is shown in the Declarations for Building at the "premises", you may extend that insurance to apply to direct "loss" of incidental appurtenant buildings or structures, within 1,000 feet of that "premises", caused by or resulting from a Covered Cause of Loss.
 - b. When a Limit of Insurance is shown in the Declarations for Business Personal Property at the "premises", you may extend that insurance to apply to direct "loss" of Business Personal Property within incidental appurtenant buildings or structures within 1,000 feet of that "premises", caused by or resulting from a Covered Cause of Loss.
 - c. Incidental appurtenant buildings or structures include:
 - (1) Storage buildings;

- (2) Carports;
- (3) Garages;
- (4) Pump houses; or
- (5) Above ground tanks;

which have not been specifically described in the Declarations.

- d. The most we will pay for "loss" in any one occurrence under this Coverage Extension for any combination of "loss" to Building and Business Personal Property is \$50,000, regardless of the number of "premises" involved.

2. Fine Arts

For the purposes of this endorsement only:

- a. You may extend the insurance provided by this Coverage Part to apply to paintings, etchings, pictures, tapestries, art glass windows, and other bona fide works of art of rarity, historical value, or artistic merit. The direct "loss" must be caused by or result from a Covered Cause of Loss.

- b. **SECTION D. LOSS CONDITIONS, 7. Valuation** is deleted in its entirety and replaced by the following:

We will determine the value of Covered Property in the event of "loss" at the market value at the time of direct "loss".

- c. The most we will pay for "loss" in any one occurrence under this Coverage Extension is \$25,000.

3. Ordinance or Law - Increased Period of Restoration

- a. When:
 - (1) A Covered Cause of Loss occurs to property at the "premises"; and
 - (2) The Declarations show that you have coverage for Business Income and Extra Expense;

you may extend that insurance to apply to the amount of actual loss of "Business Income" you sustain and reasonable Extra Expense you incur during the increased period of "suspension"

of "operations" caused by or resulting from the enforcement of any ordinance or law that:

- (1) Regulates the construction, repair or replacement of any property;
 - (2) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and
 - (3) Is in force at the time of "loss".
- b. This Coverage Extension applies only to the period that would be required, with reasonable speed, to reconstruct, repair or replace the property to comply with the minimum requirements of the ordinance or law.
- c. This Coverage Extension does not apply to:

(1) Loss due to an ordinance or law that:

- (a) You were required to comply with before the "loss", even if the property was undamaged; and
 - (b) You failed to comply with; or
- (2) Costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- d. The most we will pay for "loss" under this Coverage Extension in any one occurrence is \$25,000 at each "premises".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CinciPakTM

**MEDICAL OR DENTAL OFFICE POLLUTANT CLEAN-UP
COVERED PROPERTY EXTENSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

For this endorsement only, **SECTION A - COVERAGES, COVERAGE 4. Additional Coverages, h. Pollutant Clean Up and Removal**, is deleted in its entirety and replaced with the following:

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

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

The most we will pay under this Additional Coverage for each "premises" is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss during each "coverage term". This is in addition to the Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CinciPak™

**MEDICAL OR DENTAL OFFICE ACTUAL LOSS SUSTAINED
BUSINESS INCOME ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A.** This endorsement applies to the following Coverage Forms:
- BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM**
- BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM**
- B.** For the purposes of this endorsement only, **SECTION A. COVERAGE, 5. Additional Coverages, c. Extended Business Income, (1), (b), (ii)** is deleted in its entirety and replaced by the following, and **(iii)** is added:
- (ii)** 12 consecutive months after the date determined in **c.(1)(a)** above; or
 - (iii)** 12 consecutive months after the date of direct "loss".
- C.** For the purposes of this endorsement only, **SECTION A. COVERAGE, 5. Additional Coverages, c. Extended Business Income, (2), (b), (ii)** is deleted in its entirety and replaced by the following, and **(iii)** is added:
- (ii)** 12 consecutive months after the date determined in **c.(2)(a)** above; or
 - (iii)** 12 consecutive months after the date of direct "loss".
- D.** For the purposes of this endorsement only, **SECTION F. DEFINITIONS, 9., b.** is deleted in its entirety and replaced by the following:
- b.** Ends on the earlier of:
- (1)** The date when the property at the "premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality;
 - (2)** The date when business is resumed at a new permanent location; or
 - (3)** 12 consecutive months after the date of direct "loss".
- E.** When 12 months ALS (an acronym of Actual Loss Sustained) is shown in the Declarations as the Limit of Insurance for Business Income for a specific item, **SECTION B. LIMITS OF INSURANCE** is deleted in its entirety for that item.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CinciPak™

MEDICAL OR DENTAL OFFICE COMMERCIAL PROPERTY COVERAGE ENHANCEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- I. SECTION A. COVERAGE**, Paragraph **3. Covered Causes of Loss**, **b. Exclusions**, is amended as follows:

Exclusions **(1)(b) Earth Movement** and **(1)(g) Water** do not apply to:

- A.** Covered Business Personal Property, or
- B. BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense.**

- II. SECTION A. COVERAGE**, Paragraph **5. Coverage Extensions** is amended as follows:

- A.** The following **Coverage Extensions** are amended as follows:

- 1. a. Accounts Receivable** is amended as follows:

- a.** The Limit of Insurance referenced in Subparagraph **(3)(b) Away From Your Premises** is amended to \$25,000

- b.** The last Paragraph is deleted in its entirety and replaced by the following:

The most we will pay for "loss" in any one occurrence under this Accounts Receivable Coverage Extension is \$100,000.

This amendment of the Accounts Receivable Coverage Extension replaces, and is not in addition to, the amendment of the Accounts Receivable Coverage Extension in CinciPak™ Commercial Property Amendatory Endorsement.

- 2. The Limit of Insurance referenced in e. Exhibitions Fairs or Trade Shows** is amended to \$25,000.

SECTION A, COVERAGE, 5. Coverage Extensions, I. Personal Effects is deleted in its entirety and replaced by the following:

I. Personal Effects

If business personal property is Covered Property in this Coverage Part, we will pay for direct "loss" caused by a Covered Cause of Loss to personal effects owned by:

- (1)** You, your officers, or your partners, or if you are a limited liability company, your members or your managers; or
- (2)** Your employees (including temporary and leased employees), including tools owned by your employees that are used in your business.

This Coverage Extension does not apply to "money" or "securities".

This amendment of the Personal Effects Coverage Extension replaces, and is not in addition to, the amendment of the Personal Effects Coverage Extension in the CinciPak™ Commercial Property Amendatory Endorsement.

- 4. The Limit of Insurance referenced in m., Property Off Premises** is amended to \$25,000.
- 5. The Limit of Insurance referenced in p., Transportation** is amended to \$25,000.
- 6. q. Utility Services** is deleted in its entirety and replaced by the following:

q. Utility Services

We will pay for direct "loss" to Covered Property at your "premises" caused by or resulting from the partial or complete failure of utility services to the "premises".

The partial or complete failure of the utility services listed below must be caused by direct "loss" caused by a Covered Cause of Loss to the following property:

- (1) Power Supply Property, meaning the following types of property supplying electricity, steam or natural gas to the "premises":

- (a) Utility generating plants;
- (b) Switching stations;
- (c) Substations;
- (d) Transformers; and
- (e) Transmission, distribution, service, or similar lines, excluding all such overhead lines of any type.

- (2) Water Supply Property, meaning the following types of property supplying water to the "premises":

- (a) Pumping stations; and
- (b) Water mains.

- (3) Communication Supply Property, meaning property supplying communication services, including service relating to internet access or access to any electronic, cellular, or satellite network; telephone, radio, microwave, or television services to the "premises", such as:

- (a) Communication transmission, distribution, service, or similar lines including fiber optic lines, excluding all such overhead lines of any type;
- (b) Coaxial cables; and
- (c) Microwave radio relays, excluding satellites.

This Coverage Extension does not apply to "loss" to

"electronic data", including destruction or corruption of "electronic data".

7. **r. Valuable Papers and Records** is amended as follows:

- a. The following is added to Paragraph (2):

- (f) Two year old x-rays, and x-rays in excess of two years of age.

- b. The Limit of Insurance referenced in Subparagraph (4)(b) Away From Your Premises is amended to \$25,000.

- c. The last Paragraph is deleted in its entirety and replaced by the following:

The most we will pay for "loss" in any one occurrence under this Valuable Papers and Records Coverage Extension is \$100,000.

This amendment of the Valuable Papers and Records Coverage Extension replaces, and is not in addition to, the amendment of the Valuable Papers and Records Coverage Extension in the CindPak™ Commercial Property Amendatory Endorsement.

- B. The following **Coverage Extensions** are added:

1. Tenant's Glass

For the purposes of this endorsement only,

- a. It is agreed and understood that Paragraph (2) of Coverage Extension **h. Glass** is deleted in its entirety and replaced by the following.

- b. If you are a tenant at a covered "premises" and:

- (1) The building you occupy is not Covered Property; and
- (2) You are legally liable for direct "loss" to the building glass in that building;

such building glass, for the purposes of this Paragraph **h.(2)** is Covered Property. We will pay for direct "loss" to that building glass, including lettering and ornamentation.

- c. If a Covered Cause of Loss occurs to building glass, as provided for under this Coverage Extension, we will also pay necessary expenses you incur to:
 - (1) Put up temporary plates or board up openings if repair or replacement of damaged glass is delayed;
 - (2) Repair or replace encasing frames;
 - (3) Remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include expenses to remove or replace window displays; and
 - (4) Repair or replace alarm tapes.
 - d. **SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions** does not apply, except for:
 - (1) Exclusion (1)(b) **Earth Movement**;
 - (2) Exclusion (1)(c) **Governmental Action**;
 - (3) Exclusion (1)(d) **Nuclear Hazard**;
 - (4) Exclusion (1)(f) **War and Military Action**;
 - (5) Exclusion (2)(d)1) **Wear and tear**; and
 - (6) As listed in Exclusion (2)(d)2):
Rust or other corrosion, hidden or latent defect or any quality in property that causes it to damage or destroy itself.
- 2. Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**
- For the purposes of this endorsement only:
- a. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions (1)(g) Water, Paragraph 3)** is deleted in its entirety and replaced by the following:
 - 3) Except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**, water that has entered and then backs up through and is discharged from a sewer, drain, septic system, sump pump system or related equipment; or
 - b. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions (1)(g) Water, Paragraph 5)** is deleted in its entirety and replaced by the following:
 - 5) Except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**, waterborne material carried or otherwise moved by any of the water referred to in Paragraphs 1), 3) or 4), or material carried or otherwise moved by mudslide or mudflow as described in Paragraph 2).
 - c. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:
Water Backup Discharged From Sewers, Drains, Septic or Sump Pump Systems
We will pay for "loss" caused by or resulting from water or waterborne material that has entered and then backs up through and is discharged from a sewer, drain (including roof drains and related fixtures), septic system, sump pump systems or related equipment.
 - d. **SECTION C. DEDUCTIBLE** is amended by adding the following:
Water Backup Deductible
We will not pay for "loss" in any one occurrence caused by or resulting from water or waterborne

material which backs up through and is discharged from a sewer, drain, septic system, sump pump system or related equipment, until the amount of "loss" exceeds the Deductible shown in the Declarations, or \$1,000, whichever is greater. We will then pay the amount for "loss" in excess of that deductible, up to the applicable limit indicated in Para-

graph **e.** of this Coverage Extension.

- e.** The most we will pay for "loss" in any one occurrence, including any applicable "Business Income", "Rental Value" and "Extra Expense", under this Coverage Extension is \$25,000.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CinciPlus®
CinciPak™
MEDICAL/DENTAL OFFICE
PROPERTY XC+® (EXPANDED COVERAGE PLUS)
ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART

The insurance coverage and Limits of Insurance provided by this endorsement are excess of, and apply in addition to, any similar or identical coverage provided by any other endorsement attached to the above referenced Coverage Parts, or by any other Coverage Part forming a part of the policy of insurance of which the above referenced Coverage Parts form a component.

SCHEDULE

Blanket Coverage Limit	The Limit of Insurance stated in the Summary of Coverage Limits
Applicable only to those coverages subject to the Blanket Coverage Limit, as indicated in this endorsement	

A. Accounts Receivable

For the purposes of this endorsement only:

1. In **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, a. Accounts Receivable**, the second paragraph in **(3)(b) Away From Your Premises** is deleted in its entirety and replaced by the following:

This limit of insurance for **Away From Your Premises** coverage is not included within the Blanket Coverage Limit and is separate and in addition to the Blanket Coverage Limit.

2. In **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, a. Accounts Receivable**, the last paragraph is deleted in its entirety and replaced by the following:

The most we will pay for "loss" in any one occurrence under this Accounts Receivable Coverage Extension is the Blanket Coverage Limit as provided in Section **T**. of this endorsement.

B. Business Income and Extra Expense

Interruption of Computer Operations

For the purposes of this endorsement only, in **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense**, is modified as follows:

1. For **Interruption of Computer Operations**, all references to \$2,500 in **b. Business Income and Extra Expense**, Paragraph **(7)(c)** are deleted and replaced with the Limit of Insurance indicated in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS** for Interruption of Computer operations.
2. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended as follows:

With respect to a "suspension" of "operations" caused only by an interruption in computer operations due to the destruction or corruption of "electronic da-

ta" as described in **SECTION A. COVERAGE, 5. Coverage Extensions, d. Electronic Data**, Paragraph **a.** of Definition **12.** "Period of restoration" is deleted and replaced by the following:

- a.** Begins 24 hours after the time of direct "loss".

C. Electronic Data Processing Property

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended by adding the following:

Electronic Data Processing Property

(1) Covered Property

You may extend the Coverage provided by this Coverage Part to apply to direct "loss" to Covered Property consisting of your:

- (a)** Data processing equipment;
- (b)** Air conditioning and other electrical equipment, used exclusively with your data processing equipment;
- (c)** Programming documentation and instruction manuals;
- (d)** "Electronic data", but only as excess over what is valid and collectible under **SECTION A. COVERAGE, 5. Coverage Extensions, d. Electronic Data**;
- (e)** Media, meaning materials on which "electronic data" is recorded, such as magnetic tapes, disc packs, paper tapes and cards, floppy discs and compact discs used in processing units; and
- (f)** Property of others in your care, custody or control that is similar to property described in **(1)(a)** through **(e)** above.

(2) Property Not Covered

This Coverage Extension does not apply to:

- (a)** Accounts, records, documents and other "valuable papers and records" unless they are programming documentation or instruction manuals.

However, we will cover these items once they are converted to "electronic data" form.

- (b)** "Electronic data" or media that cannot be replaced with similar property of equal quality.

- (c)** Your property that you have rented or leased to someone else and that property is not at your "premises".
- (d)** Any machine or apparatus that is used for research, medical, diagnostic, surgical, dental or pathological purposes.
- (e)** "Production equipment".

(3) Exclusions

- (a) BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions** does not apply except as follows:

- 1) Exclusion (1)(c) Governmental Action;**
- 2) Exclusion (1)(d) Nuclear Hazard;**
- 3) Exclusion (1)(f) War and Military Action;**
- 4) Exclusion (2)(b) Delay or Loss of Use;**
- 5) Exclusion (2)(d) Miscellaneous Causes of Loss, 1) Wear and tear;**
- 6) Exclusion (2)(h) Dishonest or Criminal Acts;**
- 7) Exclusion (3)(b) Acts or Decisions; and**
- 8) Exclusion (3)(c) Defects, Errors and Omissions.**

- (b)** In addition to Paragraph **(3)(a)** of this Coverage Extension, we will not pay for the following:

Hidden or latent defect, gradual deterioration, and depreciation. However, if direct "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss".

(4) Duplicate and Backup "Electronic Data"

We will pay for direct "loss" resulting from any of the Covered Causes of Loss to duplicate and backup "electronic data" that you store at a premises not described in the Declarations providing such "electronic data" is not covered by another policy.

(5) Newly Purchased Electronic Data Processing Property

BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, i. Newly Purchased, Leased or Constructed Property is deleted in its entirety and replaced by the following:

- (a) We will pay for direct "loss" from a Covered Cause of Loss to newly purchased or leased Covered Property described in Paragraph (1) of this Coverage Extension while at:
- 1) Locations that are newly purchased or leased;
 - 2) Your newly constructed buildings or additions at a "premises"; or
 - 3) Any "premises" described in the Declarations.
- (b) Insurance under this Coverage Extension for such newly acquired property, or Covered Property already insured by this Coverage Extension which is moved to a newly acquired location, will end when any of the following first occurs:
- 1) This Coverage Part expires;
 - 2) 90 days pass from the date you acquire your new property or move Covered Property to a newly acquired location; or
 - 3) You report values to us.

(6) In Transit or Away From Premises

SECTION A. COVERAGE, 5. Coverage Extensions, e. Exhibitions, Fairs or Trade Shows, m. Property Off Premises and p. Transportation are deleted in their entirety and replaced by the following:

- (a) You may extend the insurance provided by this Coverage Extension to apply to Covered Property as described in Paragraph (1):
- 1) While in or on a vehicle, including loading and unloading; or
 - 2) While at a location that is not your "premises".
- (b) This **In Transit or Away From Premises** coverage does not apply per location.

(7) Worldwide Laptop Coverage

- (a) You may extend the insurance provided by this Coverage Extension to apply to your laptops, notebooks and similar highly portable personal computers, including their peripherals and accessories, while such specific Covered Property is:

- 1) In your or your employee's care, custody and control;
- 2) Not located at a premises you own or lease; and
- 3) Not located in the coverage territory stated in Paragraph 2. of the Commercial Property Condition **H. Policy Period, Coverage Territory**, provided that location is not under a United States Department of State trade or travel restriction at the time of "loss".

- (b) This **Worldwide Laptop Coverage** does not apply per location.

(8) Electronic Data Processing Property Deductible

SECTION C. DEDUCTIBLE is amended to include the following:

We will not pay for direct "loss" in any one occurrence unless the amount of "loss" exceeds the Deductible shown in the Declarations. We will then pay the amount of "loss" in excess of the Deductible, up to the Limit of Insurance provided by this Coverage Extension.

However, direct "loss" caused by or resulting from any of the following Causes of Loss will have the greater of the Deductible shown in the Declarations or \$1,000 as the applicable deductible:

- a. "Loss" caused by faulty construction, error in design or processing, or service or work upon the data processing system;
- b. "Loss" resulting in mechanical breakdown, short circuiting, blowout, or other electrical damage, unless caused by lightning; or
- c. "Loss" caused by or resulting from interruption of power supply, power surge, blackout or brownout.

(9) Electronic Data Processing Property Valuation

SECTION D. LOSS CONDITIONS, 7. Valuation is deleted in its entirety and replaced by the following:

7. Valuation of Electronic Data Processing Property

In the event of direct "loss", we will determine the value of Covered Property as described in Paragraph (1) of this Coverage Extension as follows:

a. Except for "electronic data"

- (1) If you repair or replace this Electronic Data Processing property within a reasonable time following the "loss", the property will be valued at the full cost of repair or replacement.

However, the most we will pay is the least of the following:

- (a) The actual cost to repair or restore the property with materials of like kind and quality;
 - (b) The cost of replacing that property with property of similar quality and function;
 - (c) The amount you actually and necessarily spend to repair or replace the property; or
 - (d) The Limit of Insurance applicable to the property.
- (2) If you do not repair or replace this property within a reasonable time following a "loss", the most we will pay will be the least of the following:
- (a) "Actual cash value" of the property;
 - (b) "Actual cash value" of repairs with material of like kind and quality; or
 - (c) The Limit of Insurance applicable to the property.

We reserve the right to repair or replace the property or to pay for the property in money.

In the event of "loss", the value of property will be

determined at the time of "loss".

b. For "electronic data"

We will not pay more than the actual reproduction costs of your "electronic data". If you do not replace or reproduce your "electronic data" following the "loss", the most we will pay is the cost of blank media as described in Paragraph C.(1)(e) of this Coverage Extension.

(10) Electronic Data Processing Property Additional Definition

The following definition is added to **SECTION G. DEFINITIONS** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**:

"Production equipment" means any machinery and related components, including any integrated or dedicated computer system, which is used, or can be used, to produce or process other tangible property.

The most we will pay for "loss" in any one occurrence under this Electronic Data Processing Property Coverage Extension is the Blanket Coverage Limit as provided in Section T. of this endorsement.

D. Ordinance or Law

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law**, the last paragraph is deleted in its entirety and replaced by the following:

The most we will pay for "loss" in any one occurrence under Paragraph (a) **Loss of Use of Undamaged Parts of the Building** is the Limit of Insurance shown in the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS** as applicable to the covered building or structure incurring "loss". This Coverage is included within, and not in addition to, that applicable Limit of Insurance.

The most we will pay for all "loss" in any one occurrence under Paragraph (b) **Demolition Costs** and Paragraph (c) **Increased Costs of Construction** is the Blanket Coverage Limit as provided in Section T. of this endorsement per building or structure suffering "loss". This is an additional Limit of Insurance applicable to the building or structure suffering "loss".

E. Valuable Papers and Records

For the purposes of this endorsement only:

1. In the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, r. Valuable Papers and Records**, the second paragraph in **(4)(b) Away From Your Premises** is deleted in its entirety and replaced by the following:

The limit of insurance for **Away From Your Premises** is not included within the Blanket Coverage Limit and is separate and in addition to the Blanket Coverage Limit.

2. In the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, r. Valuable Papers and Records**, the last paragraph is deleted in its entirety and replaced by the following:

The most we will pay for "loss" in any one occurrence under this Valuable Papers and Records Coverage Extension is the Blanket Coverage Limit as provided in Section **T.** of this endorsement.

F. Outdoor Property

For the purposes of this endorsement only, in **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, k. Outdoor Property**, the last paragraph is deleted in its entirety and replaced by the following:

The most we will pay for "loss" in any one occurrence under this Outdoor Property Coverage Extension is the Limit of Insurance stated in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS** for Outdoor Property, but not more than the Limit of Insurance stated in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS** for any one tree, shrub, or plant.

G. Tenant Move Back Expenses

For purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Tenant Move Back Expenses

1. We will reimburse you for expenses you pay for Covered Move Back Expenses of your tenants who temporarily vacate a portion of the building at a "premises". The vacancy must have occurred while the portion of the building rented by your tenant could not be occupied due to di-

rect "loss" to your Covered Property caused by or resulting from a Covered Cause of Loss during the "coverage term". The move back must be completed within 60 calendar days after the portion of the building rented by your tenant has been repaired or rebuilt and is ready for occupancy.

2. Covered Move Back Expenses means only documented, reasonable and necessary expenses of:
 - a. Packing, insuring and transporting business personal property;
 - b. Re-establishing electric utility and communication services, less refunds from discontinued services;
 - c. Assembling and setting up fixtures and equipment; or
 - d. Unpacking and re-shelving stock and supplies.
3. If your tenants have valid and collectible insurance for Covered Move Back Expenses, we will pay only for the amount of Covered Move Back Expenses in excess of the amount payable from such other insurance.
4. The most we will pay for "loss" in any one occurrence under this Tenant Move Back Expenses Coverage Extension is the Blanket Coverage Limit as provided in Section **T.** of this endorsement.

H. Peak Season

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Peak Season

1. In the event that the limit of insurance stated in the Declarations for Business Personal Property is insufficient to fully insure a covered "loss" due to a Peak Season Demand for your inventory, we will pay up to the Blanket Coverage Limit as provided in Section **T.** of this endorsement to that "loss".
2. Peak Season Demand means a temporary (90 consecutive days or less) increase in your inventory to meet a seasonal demand as verified by:
 - a. Your previous inventory records for that historical period of time; and
 - b. Custom and practice in your industry.

I. Personal Property of Others

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Personal Property of Others

In the event that the limit of insurance stated in the **COMMERCIAL PROPERTY COVERAGE DECLARATIONS** for Business Personal Property is insufficient to fully insure a covered "loss" to both your Covered Personal Property and property described in Paragraph (8) of **SECTION A. COVERAGE, 1. Covered Property, d. Business Personal Property**, we will pay up to the Blanket Coverage Limit in any one occurrence as provided in Section T. of this endorsement for such property.

J. Debris Removal

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

In the event that the limits of insurance stated in **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages, b. Debris Removal** are insufficient to fully cover a "loss" insured thereunder, we will pay up to the Blanket Coverage Limit in any one occurrence as provided in Section T. of this endorsement.

K. Temperature Change

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Temperature Change**1. Coverage**

- a. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 1. Covered Property** is deleted in its entirety and replaced by the following:

Covered Property means "perishable stock" located in a building at a "premises".

- b. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 2. Property Not Covered** is deleted in its entirety and replaced by the following:

Covered Property does not include:

"Perishable Stock" Not in Buildings

"Perishable stock" located on buildings, in or on vehicles, or otherwise in the open.

2. Covered Causes of Loss

BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, a. Covered Causes of Loss is deleted in its entirety and replaced by the following:

a. Covered Causes of Loss

Covered Causes of Loss means direct "loss" from "temperature change" to Covered Property unless "loss" is excluded or limited in this Coverage Part.

3. Excluded Causes of Loss

- a. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions** does not apply to this Coverage Extension, except as follows:

- (1) Exclusion (1)(b) **Earth Movement**;
- (2) Exclusion (1)(c) **Governmental Action**;
- (3) Exclusion (1)(d) **Nuclear Hazard**;
- (4) Exclusion (1)(f) **War and Military Action**;
- (5) Exclusion (1)(g) **Water**; or
- (6) Exclusion (1)(h) **"Fungi", Wet Rot, Dry Rot, and Bacteria**.

- b. In addition to Paragraph 3.a. of this Coverage Extension, we will not pay for direct "loss" caused by or resulting from any of the following:

- (1) The disconnecting of any heating, refrigerating, cooling or humidity control system from the source of its power;
- (2) The deactivation of electrical power caused by the manipulation of any switch or other device (on "premises") used to control the flow of electrical power or current;

(3) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:

- (a) Lack of fuel, or
- (b) Governmental order;

(4) The inability of a power source at the "premises" to provide sufficient power due to the lack of generating capacity to meet demand; or

(5) Breaking of any glass that is a permanent part of any heating, refrigeration, cooling or humidity control unit.

4. Limits of Insurance

BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION B. LIMITS OF INSURANCE is deleted in its entirety and replaced by the following:

SECTION B. LIMITS OF INSURANCE

- a. The most we will pay for all "loss" in any one occurrence, including any applicable "Business Income", "Rental Value" and Extra Expense loss, is the Limit of Insurance indicated in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS** for Temperature Change.
- b. The Limit of Insurance for Temperature Change is not an additional amount of insurance and will not increase the Limit of Insurance shown in the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS** for Business Personal Property or "stock".

5. Duties in the Event of Loss

BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION D. LOSS CONDITIONS, 3. Duties in the Event of Loss or Damage, a.(2) is deleted in its entirety and replaced by the following:

- (2) All claims under this Temperature Change Coverage Extension should be reported immediately upon occurrence. Include a description of the damaged "stock". All damaged "stock" must be available for inspection and verification.

6. Coinsurance

BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION E. ADDITIONAL CONDITIONS, 1. Coinsurance does not apply to the coverage provided by this endorsement.

7. Definitions

BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS is amended to include the following definitions:

- a. "Perishable stock" means personal property:
 - (1) Preserved and maintained under controlled conditions; and
 - (2) Susceptible to "loss" if the controlled conditions change.
- b. "Temperature change" means:
 - (1) The fluctuation or total interruption of electrical power, either on or off "premises", resulting from conditions beyond your control.
 - (2) Mechanical breakdown of any refrigerating or cooling apparatus or equipment (on "premises") including the blowing of any fuse, fuses, or circuit breakers.
 - (3) Contamination by refrigerant.
 - (4) The freezing of "perishable stock" resulting from the faulty operation of any stationary heating plant, when such "perishable stock" is contained within a building at the "premises".

L. Nonowned Building Damage

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, j. Nonowned Building Damage** is deleted in its entirety and replaced by the following:

If you are a tenant, you may extend the insurance provided by this Coverage Part for Business Personal Property to direct "loss" that occurs to the building at a "premises" you occupy but do not own.

This Coverage Extension applies only if your lease makes you legally responsible for that part of the building sustaining "loss".

- 1. This Coverage Extension does not apply to:

- a. Glass, including lettering and ornamentation, and also necessary:
 - (1) Repair or replacement of encasing frames or alarm tapes; and
 - (2) Expenses incurred to board up openings or remove or replace obstruction.
 - b. Building materials and equipment removed from the "premises".
2. The most we will pay for "loss" in any one occurrence under this Nonowned Building Damage Coverage Extension is:
- a. The actual "loss" sustained up to the applicable Limit of Insurance for Business Personal Property for direct "loss" caused by theft, burglary or robbery, or the attempt of the foregoing; or
 - b. The applicable Limit of Insurance for Business Personal Property or the Limit of Insurance stated in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS** for Nonowned Building Damage, whichever is less, for "loss" caused by any other Covered Cause of Loss, not referenced in 2.a. above.

M. Inflation Guard

For the purposes of this endorsement only, the **COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS** is amended to show the percentage (%) shown in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS** for Inflation Guard in the **OPTIONAL COVERAGE - Inflation Guard** column for each scheduled Building Property. If an Inflation Guard percentage is already indicated on the Commercial Property Coverage Part Declarations for that Building Property, this percentage is excess of that Inflation Guard percentage for that Building Property.

N. Brands and Labels

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Brands and Labels

If branded or labeled merchandise that is Covered Property is damaged by a Covered

Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:

- 1. Stamp 'salvage' on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- 2. Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

The most we will pay for "loss" in any one occurrence under this Brands and Labels Coverage Extension is the Limit of Insurance stated in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS** for Brands and Labels.

O. Limitation - Personal Property Theft

For the purposes of this endorsement only, in **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, c. Limitations, (3) Limitation - Personal Property Theft** is deleted in its entirety and replaced by the following:

(3) Limitation - Personal Property Theft

This Limitation does not apply to Business Income coverage or to Extra Expense coverage. The special limit shown for each category, **(3)(a)** through **(3)(d)**, is the most we will pay for direct "loss" to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

- (a) The Limit of Insurance stated in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS** for furs, fur garments and garments trimmed with fur.
- (b) The Limit of Insurance stated in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS** for jewelry, watches, watch movements, jewels, pearls and precious and semi-precious stones. This limit does not apply to jewelry and watches worth \$500 or less per item.
- (c) The Limit of Insurance stated in the **MEDICAL/DENTAL OFFICE**

PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS for bullion, gold, silver, platinum and other precious alloys or metals.

- (d) The Limit of Insurance stated in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS** for patterns, dies, molds and forms.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

P. Lessor's Leasehold Interest

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages** is amended to include the following:

Lessor's Leasehold Interest

1. We will pay for the cost of Covered Leasehold Interest you sustain due to the cancellation of lease contracts by your tenants. The cancellation must result from direct "loss" to your Covered Property at the "premises" caused by or resulting from a Covered Cause of Loss during the "coverage term".
2. Covered Leasehold Interest:
 - a. Means the difference between the:
 - (1) Rent you were collecting at the "premises" prior to the direct "loss"; and
 - (2) "Rental Value" of the "premises" after the direct "loss" has been repaired or rebuilt; and
 - b. Does not mean refunds or rebates of:
 - (1) Prepaid rent;
 - (2) Security or other deposits made by your tenants; or
 - (3) Insurance, taxes or other payments made on your behalf by tenants.
3. The most we will pay for "loss" in any one occurrence under this Lessor's Leasehold Interest Additional Coverage is the least of:
 - a. Your Covered Leasehold Interest for the 12 months immediately following

the "period of restoration" plus the 90 days of Extended Business Income but ending with the normal expiration date of each cancelled lease; or

- b. The Limit of Insurance stated in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS** for all Covered Leasehold Interest of all your tenants canceling their leases arising out of an occurrence at a "premises".

Q. Unauthorized Business Card Use

1. For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages** is amended to include the following:

Unauthorized Business Card Use

We will pay for your loss of "money" or charges and costs you incur that result directly from the unauthorized use of credit, debit or charge cards issued in your business name, including:

- a. Fund transfer cards;
- b. Charge plates; or
- c. Telephone cards.

The most we will pay in any one occurrence under this Unauthorized Business Card Use Additional Coverage is the Limit of Insurance stated in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS**.

2. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 2. Property Not Covered** is amended by deleting Paragraph a. in its entirety and replacing it with the following:

Covered Property does not include:

- a. **Accounts, Deeds, Money or Securities**

Except as provided in **SECTION A. COVERAGE:**

- (1) **4. Additional Coverages, Unauthorized Business Card Use;** and

(2) 5. Coverage Extensions, a. Accounts Receivable,

Accounts, bills, currency, deeds, food stamps or other evidences of debt, "money", notes or "securities";

R. Ordinance or Law - Increased Period of Restoration

For the purposes of this endorsement only, in **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions, Ordinance or Law - Increased Period of Restoration**, Paragraph d. is deleted in its entirety and replaced by the following:

- d. The most we will pay for loss of "Business Income", "Rental Value" and Extra Expense in any one occurrence under this Ordinance or Law - Increased Period of Restoration Coverage Extension is the Limit of Insurance stated in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS** at each "premises".

S. Water Backup Discharged from Sewers, Drains or Sump Pump Systems

BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions is amended by adding the following:

Water Backup from Sewers, Drains or Sump Pump Systems

For the purposes of this endorsement only:

1. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Cause of Loss, b. Exclusions, (1)(g) Water**, Paragraph 3) is deleted in its entirety and replaced by the following:
 - 3) Except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**, water that has entered and then backs up through and is discharged from a sewer, drain, septic system, sump pump system or related equipment; or
2. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions, (1)(g) Water**, Paragraph 5) is deleted in its entirety and replaced by the following:

- 5) Except as provided in **SECTION A. COVERAGE, 5. Coverage Extensions, Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**, waterborne material carried or otherwise moved by any of the water referred to in Paragraphs 1), 3) or 4), or material carried or otherwise moved by mudslide or mudflow as described in Paragraph (g)2).

3. **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions**, is amended to include the following:

Water Backup Discharged From Sewers, Drains, Septic or Sump Pump Systems

We will pay for "loss" caused by or resulting from water or waterborne material that has entered and then backs up through and is discharged from a sewer, drain (including roof drains and related fixtures), septic system, sump pump system or related equipment.

4. **SECTION C. DEDUCTIBLE** is amended by adding the following:

Water Backup Deductible

We will not pay for "loss" in any one occurrence caused by or resulting from water or waterborne material which backs up through and is discharged from a sewer, drain, septic system, sump pump system or related equipment, until the amount of "loss" exceeds the Deductible shown in the Declarations, or \$1,000, whichever is greater. We will then pay the amount for "loss" in excess of that deductible, up to the applicable limit indicated in Paragraph 5. of this Coverage Extension.

5. The most we will pay for "loss" in any one occurrence, including any applicable "Business Income", "Rental Value" and Extra Expense, under this Water Backup Discharged From Sewers, Drains, Septic or Sump Pump Systems Coverage Extension is the Limit of Insurance shown in the **MEDICAL/DENTAL OFFICE PROPERTY XC+® (EXPANDED COVERAGE PLUS) ENDORSEMENT SUMMARY OF COVERAGE LIMITS** for Water Backup from Sewers, Drains, Septic or Sump Pump Systems.

T. Blanket Coverage Limit

We will pay up to the Limit of Insurance stated in the Schedule of this endorsement in total in any one occurrence for the sum of all

"loss" insured under coverages provided in this endorsement which are subject to the Blanket Coverage Limit. You may apportion

this Limit among these coverages as you choose.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CinciPak™
MEDICAL/DENTAL OFFICE BUSINESS INCOME
(AND EXTRA EXPENSE) AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE PART

SCHEDULE

Valued Daily Loss of Income			
Location	Building	Limit Per Day	Number of Days
1	1	500	30

- I. SECTION A. COVERAGE, Paragraph 5. Additional Coverages** of the Business Income (and Extra Expense) Coverage Part is amended to include the following:

f. Utility Services

We will pay for the actual loss of "Business Income" you sustain and Extra Expense you incur caused by or resulting from the partial or complete failure of the utility services listed below. The partial or complete failure of the utility services listed below must be caused by direct "loss" caused by a Covered Cause of Loss to the following property.

- (1) Communications Supply Property**, meaning property supplying communication services, including service relating to Internet access or access to any electronic, cellular, or satellite network; telephone, radio, microwave, or television services to the "premises", such as:
- (a)** Communication transmission, distribution, service, or similar lines including fiber optic transmission lines, excluding all such overhead lines of any type;
 - (b)** Coaxial cables; and

- (c)** Microwave radio relays, excluding satellites.

- (2) Power Supply Property**, meaning the following types of property supplying electricity, steam or natural gas to the "premises":

- (a)** Utility generating plants;
- (b)** Switching stations;
- (c)** Substations;
- (d)** Transformers; and
- (e)** Transmission, distribution, service or similar lines, excluding all such overhead lines of any type.

- (3) Wastewater removal Property**, meaning a utility system for removing wastewater and sewage from the "premises", other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities. Coverage under this Additional Coverage does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

- (4) Water Supply Property, meaning the following types of property supplying water to the "premises":

- (a) Pumping Stations; and
- (b) Water mains.

This Additional Coverage does not apply to "loss" to "electronic data" including destruction or corruption of "electronic data".

g. Valued Daily Loss of Income

- (1) We will pay the stated Limit Per Day indicated in the Schedule of this endorsement for loss of income due to the necessary "suspension" of your "operations" during the "period of restoration" caused by or resulting from any Covered Cause of Loss, up to the Number of Days indicated in the Schedule of this endorsement.
- (2) A day is defined as a period of twenty-four hours, beginning at midnight, and during which the "operations" of the insured were or normally would be performed. We shall pay the Limit Per Day indicated in the Schedule of this endorsement for each full day of total "suspension" of business conducted by you at the "premises" where the "loss" occurred.
- (3) For each day, during which there is a partial "suspension" of your "operations", a part of the Limit Per Day indicated in the Schedule of this en-

dorsement will be paid. That part of the Limit Per Day will be calculated by determining the ratio of reduced hours of "operations" compared to normal hours of "operations", times the Limit Per Day indicated in the Schedule of this endorsement.

- (4) You agree that if you could resume complete or partial "operations" at your "premises" or at another location, the amount we pay you shall be determined as if such complete or partial "operations" had been resumed.

II. SECTION F. DEFINITIONS of the Business Income (and Extra Expense) Coverage Part is amended as follows:

With respect to a "suspension" of "operations" insured under **SECTION A. COVERAGE**, Paragraph **5. Additional Coverages, f. Utility Services** of the Business Income (and Extra Expense) Coverage Part, Paragraph **a.** of Definition **9.** "Period of restoration" is deleted and replaced by the following:

- a.** Begins 24 hours after the time of direct physical "loss".

III. SECTION A. COVERAGE, 3.b. Exclusions of the Commercial Property Coverage Part is amended as follows:

- A. Exclusions (1)(b) Earth Movement and (1)(g) Water** do not apply to Business Income and Extra Expense Coverage.



THE BRIDGE ENDORSEMENT

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THE BRIDGE ENDORSEMENT

BRIDGE SCHEDULE OF COVERAGE LIMITS

<u>Coverages:</u>	<u>Limit of Insurance:</u>
Business Travel Benefit	\$50,000
Conference Cancellation	\$25,000
Donation Security	\$50,000
Emergency Travel Expense	\$50,000
Fundraising Event Cancellation Expense	\$25,000
Image Restoration and Counseling Expense	\$50,000
Key Individual Replacement Expense	\$50,000
Kidnap Expense	\$50,000
Lease Assessment	\$2,500
Leasehold Improvements	\$25,000
Political Unrest Evacuation Expense	\$25,000 (\$5,000 per employee)
Temporary Meeting Space Expense	\$25,000
Travel Delay Expense	\$1,500
Unauthorized Business Card Use	\$1,500
Workplace Violence Counseling Expense	\$50,000

<p style="text-align: center;">Deductible: \$500.00</p>
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THE BRIDGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The insurance coverage and Limits of Insurance provided by this endorsement are excess of, and apply in addition to, any similar or identical coverage provided by any other endorsement attached to this Coverage Part, or by any other Coverage Part forming a part of the policy of insurance of which this Coverage Part forms a component.

SECTION I - COVERAGES

A. Business Travel Benefit

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Business Travel Benefit

1. We will pay you the business travel benefit if your current "director or officer" while occupying, as a fare-paying passenger, a public conveyance provided and operated by a commercial transportation carrier for regular passenger service by land, water, or air suffers "injury" while traveling for purposes related to your business pursuits during the "coverage term".
2. We will not pay business travel benefit for "injury" caused directly or indirectly by any of the following:
 - a. An intentional injury by the insured, "director or officer" or decedent;
 - b. An act of suicide or attempted suicide by the insured, "director or officer" or decedent;
 - c. An act of war; or
 - d. A disease process the insured, "director or officer" or decedent was diagnosed with prior to the suffered "injury" for which coverage under this Coverage Extension is sought.
3. For **Business Travel Benefit** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS**, is amended to include the following:

"Injury" means:

- a. Accidental loss of life caused by physical injury to the body;
- b. Accidental loss of limbs or multiple fingers; or
- c. Accidental total loss of sight, speech or hearing.

The "injury" outlined in Paragraphs **a.**, **b.**, and **c.** above must physically occur to the current "director or officer".

4. For **Business Travel Benefit** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS**, is amended to include the following:

"Director or officer" means that particular current director or current officer for which coverage under this Coverage Extension is sought.

The most we will pay for all "injury" under **Business Travel Benefit** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

B. Conference Cancellation

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Conference Cancellation

1. We will reimburse the insured for any "business-related conference expense" incurred and not reimbursed by any other source as the result of a cancellation of a conference or convention. The cancellation must be the direct result of an order made by a civil authority responding to a "natural catastrophe" or to a "communica-

ble disease" outbreak during the "coverage term".

2. For **Conference Cancellation** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:

- a. "Business-related conference expense" means those expenses incurred by you for your employee(s) scheduled to attend a conference or convention provided that the employee(s) was (were) registered for the conference or convention at least 30 days prior to the conference's or convention's cancellation.
- b. "Communicable disease" means any disease or any related or resulting diseases, viruses, complexes, symptoms, manifestations, effects, conditions or illnesses, except this endorsement does not apply to any "loss" directly or indirectly attributable to Anthrax, Avian Influenza, Crimean-Congo Hemorrhagic Fever, Dengue Hemorrhagic Fever, Ebola Hemorrhagic Fever, Francisella Tularensis, Influenza, Lassa Fever, Marburg Hemorrhagic Fever, Meningococcal disease, Plague, Rift Valley Fever, Severe Acute Respiratory Syndrome, Smallpox, Tularemia, Yellow Fever or any pandemic or similar influenza which is defined by the United States Center for Disease Control as virulent human influenza that may cause global outbreak, or pandemic, or serious illness.
- c. "Natural catastrophe" means hurricane, tornado, earthquake or flood.

The most we will pay for all "business related conference expense" under **Conference Cancellation** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

C. Donation Security

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Donation Security

1. We will reimburse you for a "failed donation" incurred and not reimbursed by any other source.

2. For non-cash donations, the value of the "failed donation" will be determined based on the fair market value of the non-cash item at the time of the "failed donation".
3. For **Donation Security** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:

"Failed donation" means notice to the insured during the "coverage term" of:

- a. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a written pledge, made during the "coverage term", of funds or other measurable, tangible property to the insured provided that the donor has never been in bankruptcy or filed for bankruptcy/reorganization prior to the time the donor's pledge was made to you; or
- b. The unemployment or "incapacitation" of an individual donor during the "coverage term" preventing the donor from honoring a prior written pledge of funds or other measurable, tangible property to the insured provided that, if the donor is an individual who becomes unemployed or "incapacitated":
 - (1) Neither you nor the donor shall have had reason to believe the donor would become unemployed or "incapacitated" prior to the donation date;
 - (2) The individual donor is unemployed or "incapacitated" for at least 60 days before payment is made by the Company; and
 - (3) There is a written pledge of funds or other measurable, tangible property dated during the "coverage term".

4. For **Donation Security** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:

"Incapacitated or incapacitation" means a person who is impaired by physical injury, physical illness, or physical disability. The cause of the physical injury, physical illness or physical disability must be accidental.

5. A donation amount which is to be collected by you over a period of more than 12 months will be deemed a single donation.

The most we will pay for all "failed donations" under **Donation Security** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

D. Emergency Travel Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Emergency Travel Expense

1. We will reimburse the reasonable "emergency travel expense", while traveling for purposes related to your business pursuits during the "coverage term", incurred by your current director or officer and necessitated by a "certified act of terrorism" which:
 - a. Occurs during the "coverage term"; or
 - b. Begins to occur during the "coverage term".
2. For **Emergency Travel Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:
 - a. "Emergency travel expense" means:
 - (1) Hotel expense incurred, and not reimbursed by any other source, as the result of the cancellation of scheduled transportation by a commercial transportation carrier for regular passenger service by land, water, or air. The cancellation must occur within forty-eight hours of a "certified act of terrorism"; and
 - (2) The increased amount incurred and not reimbursed by any other source for air or train fare resulting from cancelling and re-scheduling a form of transportation to replace a similarly scheduled form of transportation canceled by a commercial transportation carrier.
 - b. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance 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 of affect the conduct of the United States Government by coercion.

The most we will pay for all emergency travel expenses under **Emergency Travel Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

E. Fundraising Event Cancellation Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Fundraising Event Cancellation Expense

1. We will reimburse you for fundraising event related expense incurred, and not reimbursed by any other source, due to the cancellation of a fundraising event. However:
 - a. The canceled fundraising event must not be rescheduled within the "coverage term"; and
 - b. The fundraising event cancellation must be the direct result of an order made by a civil authority responding to a "natural catastrophe" or a "communicable disease" outbreak during the "coverage term".
2. For **Fundraising Event Cancellation Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:
 - a. "Communicable disease" means any disease or any related or resulting diseases, viruses, complexes, symptoms, manifestations, effects, condi-

tions or illnesses, except this endorsement does not apply to any "loss" directly or indirectly attributable to Anthrax, Avian Influenza, Crimean-Congo Hemorrhagic Fever, Dengue Hemorrhagic Fever, Ebola Hemorrhagic Fever, Francisella Tularensis, Influenza, Lassa Fever, Marburg Hemorrhagic Fever, Meningococcal disease, Plague, Rift Valley Fever, Severe Acute Respiratory Syndrome, Smallpox, Tularemia, Yellow Fever or any pandemic or similar influenza which is defined by the United States Center for Disease Control as virulent human influenza that may cause global outbreak, or pandemic, or serious illness.

- b. "Natural catastrophe" means hurricane, tornado, earthquake or flood.

The most we will pay for all fundraising event cancellation expenses under **Fundraising Event Cancellation Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

F. Image Restoration and Counseling Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages** is amended to include the following:

Image Restoration and Counseling Expense

1. We will pay your "image restoration and counseling expense" resulting from a "covered event" that occurs during the "coverage term".
2. For **Image Restoration and Counseling Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:
 - a. "Covered event" means an actual or alleged act, attempt or threat of sexual misconduct or sexual molestation directed at one or more of your clients while in your care, custody and control, committed by you, any of your partners, directors, officers, employees, independent contractors or volunteers.
 - b. "Image restoration and counseling expense" means reasonable fees

and expenses you necessarily incur after a "covered event" occurs for:

- (1) The services of a public relations or similar professional image restoration organization to assist or advise you in order to minimize negative publicity and restore or otherwise positively communicate the image of your "operations".
- (2) Legal counseling and professional psychological counseling or other necessary professional mental health treatment for you, any of your partners, directors, officers or employees as a result of a "covered event". These "image restoration and counseling expenses" are payable only if and when the accused is acquitted or is discharged from being accused of committing the "covered event".
- (3) The recruitment of a replacement for an officer who has been relieved of their duties in your "operations" as a result of the "covered event".

The most we will pay for all "image restoration and counseling expense" under **Image Restoration and Counseling Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

G. Key Individual Replacement Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Key Individual Replacement Expense

1. We will pay the reasonable "replacement expense" incurred, and not reimbursed by any other source, to replace your Chief Executive Officer or your Executive Director if your incumbent Chief Executive Officer or Executive Director is unable to continue due to death or permanent disability resulting from an injury that takes place during the "coverage term".
2. For **Key Individual Replacement Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS**, is amended to include the following:

"Replacement expense" means:

- a. Costs of advertising the employment position opening;
- b. Travel, lodging, and meals incurred in interviewing job applicants for the position opening; and
- c. Reasonable extra expenses incurred with our prior consent in finding, interviewing and negotiating with the job applicants including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up employment contracts.

The most we will pay for all "replacement expense" under **Key Individual Replacement Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

H. Kidnap Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Kidnap Expense

1. We will pay the reasonable "kidnap expense" incurred by you or your current director or officer as a result of the "kidnap" of a "covered person" that takes place during the "coverage term".

This coverage does not apply to any "kidnapping" by or at the direction of any past or present family member of the "covered person".

2. For **Kidnap Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:

- a. "Covered person" means:
 - (1) Any current director or officer of the named insured; or
 - (2) The spouse, parent, or child of a current director or officer of the named insured.
- b. "Kidnap", "kidnapped", or "kidnapping" means the illegal taking and holding of a "covered person" by an individual who demands a "ransom". The "ransom" must specifically be demanded from your assets as a

condition for the release of the "covered person".

- c. "Kidnap expense" means:

- (1) Fees and expenses of an independent negotiator you have hired with our prior approval;
- (2) Incurred interest of loans taken for the purpose of paying "ransom", provided that the loan is repaid within seven days of the insured receiving reimbursement from us;
- (3) Travel and accommodation expenses incurred by any current director or officer of the named insured;
- (4) Reward paid by the insured, with our prior approval, to an "informant" for information which leads to the arrest and conviction of parties responsible for a "kidnapping", provided that the offer of such reward is approved by the local law enforcement officials; and
- (5) Gross salary including bonuses and allowances paid by you to your "kidnapped" director or officer which is contractually due at the time the "kidnapping" occurs. The salary will be paid for a period beginning on the date of the "kidnap" and will end upon the earlier of:
 - (a) Up to 30 days after the release of the director or officer, if the director or officer has not yet returned to work;
 - (b) The discovery of the death of the director or officer;
 - (c) 120 days after we receive the last credible evidence following the "kidnapping" that the director or officer is still alive;
 - (d) 12 months after the date of the "kidnapping"; or
 - (e) The exhaustion of the kidnap expense limit.
- d. "Ransom" means money or other consideration demanded or paid for the release of a "covered person".

The most we will pay for all "kidnap expense" under **Kidnap Expense** in any one "coverage

term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

I. Lease Assessment

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages** is amended to include the following:

Lease Assessment

Your Business Personal Property insurance coverage is extended to apply to your share of any assessment charged to all tenants by the building owner as a result of direct damage caused by or resulting from a Covered Cause of Loss that occurs during the "coverage term" to building property you occupy at a "premises" as agreed to in your written lease agreement.

The most we will pay for all "loss" under **Lease Assessment** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

J. Leasehold Improvements

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages** is amended to include the following:

Leasehold Improvements

If your lease is cancelled in accordance with a valid lease provision as the direct result of a Covered Cause of Loss to property during the "coverage term" at a "premises" you occupy as a tenant, and you cannot legally remove Tenant Improvements and Betterments, as described in **SECTION A. COVERAGE, 1. Covered Property, d. Business Personal Property, (6)** we will extend your Business Personal Property insurance coverage to apply to the unamortized value of Tenant Improvement and Betterment that remain and that you were forced to abandon.

The most we will pay for all "loss" under **Leasehold Improvements** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

K. Political Unrest Evacuation Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVER-**

AGE, 5. Coverage Extensions is amended to include the following:

Political Unrest Evacuation Expense

1. We will reimburse any current director, officer, employee or volunteer of the named insured for "emergency evacuation expense" that is incurred as the direct result of "political unrest" outside of the United States of America, its territories and possessions, Puerto Rico or Canada. We will only pay "emergency evacuation expense" directly related to traveling for your business pursuits and we will only pay "emergency evacuation expenses" not reimbursed by any other source. The "political unrest" must occur in the country where your current director, officer, employee or volunteer is traveling and the "political unrest" must occur during the "coverage term".

No coverage is granted for travel to countries in a state of "political unrest" at the time of departure of the travel or countries under a United States Department of State trade or travel restriction at the time of incident of "political unrest".

2. For **Political Unrest Evacuation Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:

a. "Emergency evacuation expense" means:

- (1) Additional lodging expenses;
- (2) Additional transportation costs;
- (3) The cost of obtaining replacement of lost or stolen travel documents necessary for evacuation from the area of "political unrest"; and
- (4) Translation services, message transmittals and other communication expenses provided that these expenses are not otherwise reimbursable.

b. "Political unrest" means:

- (1) A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;
- (2) A long-term condition of disturbance, turmoil or agitation that makes a foreign country danger-

ous or unstable for citizens of the United States; or

- (3) A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States Government's ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff for which either an alert or travel warning has been issued by the United States Department of State.

The most we will pay for all "emergency evacuation expenses" under **Political Unrest Evacuation Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

L. Premises Boundary Increase

Any reference to 1,000 feet in **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**,

1. **SECTION A. COVERAGE, 1. Covered Property, a. Building, (5)(b); or**
2. **SECTION A. COVERAGE, 1. Covered Property, b. Outdoor Signs; or**
3. **SECTION A. COVERAGE, 1. Covered Property, d. Business Personal Property; or**
4. **SECTION A. COVERAGE, 3. Covered Causes of Loss, c. Limitations, (2) Limitations - Various Property for Specified Causes, (b), 1); or**
5. **SECTION A. COVERAGE, 5. Coverage Extensions; or**
6. **SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense, (1) Business Income; or**
7. **SECTION A. COVERAGE, 5. Coverage Extensions, b. Business Income and Extra Expense, (4) Alterations and New Buildings, (c); or**
8. **SECTION A. COVERAGE, 5. Coverage Extensions, f. Fences;**

is increased to 1,800 feet.

M. Temporary Meeting Space Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Temporary Meeting Space Expense

We will reimburse you the meeting space rental expense incurred, and not reimbursed by any other source, due to the temporary unavailability of your primary meeting office space on the "premises". The unavailability of your primary meeting space must be the result of direct "loss" to a climate control system or hot water heater during the "coverage term". However, **Temporary Meeting Space Expense** does not apply to the renting of a temporary meeting space solely for use by you, your "employees", your officers or directors unless the temporary meeting space is also required for meeting with vendors, clients or customers outside your organization.

The most we will pay for all temporary meeting space rental expenses under **Temporary Meeting Space Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

N. Travel Delay Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 5. Coverage Extensions** is amended to include the following:

Travel Delay Expense

1. We will reimburse your current director or officers any "travel delay expense" incurred, and not reimbursed by any other source, as a result of delay or cancellation of any regularly scheduled travel on a commercial transportation carrier. The regularly scheduled travel must be directly related to your business pursuits and the cause of the cancellation must occur during the "coverage term". However, we will only pay for "travel delay expense" first incurred seventy-two (72) hours after the cancellation occurred.

We will not pay for "travel delay expense" due to a "certified act of terrorism".

2. For Travel Delay Expense only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include the following:
 - a. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terror-

ism 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 of affect the conduct of the United States Government by coercion.

b. "Travel delay expense" means the following travel-related expense for which your director or officer produces a receipt:

- (1) Meals and lodging;
- (2) Alternative transportation;
- (3) Clothing and necessary toiletries; or
- (4) Emergency prescription and non-prescription drug expenses.

The most we will pay for all "travel delay expense" under **Travel Delay Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section I, R. Deductible applies.

O. Unauthorized Business Card Use

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages** is amended to include the following:

Unauthorized Business Card Use

1. We will pay for your loss of "money" or charges and costs you incur that result directly from the unauthorized use of credit, debit or charge cards issued in your business name, including:
 - (a) Fund transfer cards;
 - (b) Charge plates; or
 - (c) Telephone cards.
2. For this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE,**

2. Property Not Covered, a. Accounts, Deeds, Money or Securities is deleted in its entirety and replaced with the following:

Accounts, Deeds, Money or Securities

Except as provided in SECTION A. COVERAGE, 4. Additional Coverages, Unauthorized Business Card Use; and **5. Coverage Extensions, a. Accounts Receivable**, Accounts, bills, currency, deeds, food stamps or other evidences of debt, "money", notes or "securities".

3. The most we will pay for all loss of money or charges and costs under **Unauthorized Business Card Use** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section I, R. Deductible applies.

P. Unintentional Error in Description

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION E. ADDITIONAL CONDITIONS** is amended to include the following:

An unintentional error in the description of the occupancy or address of Covered Property will not impair this insurance, provided you report the error to us as soon as practicable after the error becomes known to you.

Q. Workplace Violence Counseling Expense

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 4. Additional Coverages** is amended to include the following:

Workplace Violence Counseling Expense

1. We will reimburse you for emotional counseling expense incurred and not reimbursed by any other source resulting from a "workplace violence" incident at your "premises" during the "coverage term". The emotional counseling expenses incurred must have been for:
 - a. Your employees who were victims of, or witnesses to the "workplace violence";
 - b. The spouse, parents or children of your employees who were victims of, or witnesses to the "workplace violence"; and

- c. Any other person or persons who directly witnessed the "workplace violence" incident.
2. For **Workplace Violence Counseling Expense** only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION G. DEFINITIONS** is amended to include:

"Workplace violence" means any intentional use of deadly force by any person with intent to cause harm and that results in physical injury or death of any person while on the insured's "premises".

The most we will pay for all emotional counseling expense under **Workplace Violence Counseling Expense** in any one "coverage term" is the Limit of Insurance indicated in the Bridge Schedule of Coverage Limits.

Section **I, R. Deductible** applies.

R. Deductible

For the purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FROM, SECTION C. DEDUCTIBLE** is deleted in its entirety and replaced by the following:

We will not pay for an insured event in any one occurrence until the amount of the insured event exceeds the Deductible indicated in the Bridge Schedule of Coverage Limits. We will then pay the amount of the insured event in excess of the Deductible, up to the applicable Limit of Insurance in the Bridge Schedule of Coverage Limits in this endorsement.

SECTION II - CONDITIONS

- A. For purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION D. LOSS CONDITIONS, 3. Duties In The Event of Loss or Damage** is deleted in its entirety and replaced by the following:

3. Duties In The Event of an Insured Event

- a. In the event of an insured event for which this coverage is sought, you must see that the following are done in order for coverage to apply:
- (1) Notify the police if a law may have been broken; however, this does not apply to **SECTION I - COVERAGES, H. KIDNAP EXPENSE**.
 - (2) Give us prompt notice of the insured event. Include a description of any property involved.

- (3) As soon as possible, give us a description of how, when and where the insured event occurred.

- (4) Take all reasonable steps to protect any property involved from further damage. If feasible, set the damaged property aside and in the best possible order for examination. Keep a record of your expenses necessary to protect any property involved for consideration in the settlement of the claim. This will not increase your limit of insurance. However, in no event will we pay for any subsequent insured event resulting from a cause of loss that is not a Covered Cause of Loss.

- (5) At our request, give us complete inventories of any damaged and undamaged property. Include quantities, costs, values and the amount claimed as the result of the insured event.

- (6) As often as may be reasonably required, permit us to inspect any property proving the insured event 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) Submit 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) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

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

B. For purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION D. LOSS CONDITIONS, 4. Loss Payment**, Paragraphs **a.** through **h.** are deleted in their entirety and replaced by the following:

- a.** In the event of an event insured by this Coverage Part, 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.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of **SECTION D. LOSS CONDITIONS, 7. Valuation** or any applicable provision that amends or supercedes this valuation condition.

- b.** The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property, except as provided in **SECTION A. COVERAGE, 4. Additional Coverages, g. Ordinance or Law**.
- c.** We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d.** We will not pay you more than your financial interest in any property for which coverage is sought.

- e.** We may adjust amounts payable as the result of an insured event 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 property for which coverage is sought.

- f.** Our payment for "loss" to personal property of others and personal effects will only be for the account of the owner of the property.

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

- h.** We will pay for an insured event within 30 days after we receive the sworn proof of loss if you have complied with all of the terms of this Coverage Part; and

- (1)** We have reached agreement with you on the amount of the insured event; or

- (2)** An appraisal award has been made.

C. For purposes of this endorsement only, **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION D. LOSS CONDITIONS, 7. Valuation**, the first sentence is deleted in its entirety and replaced by the following:

7. Valuation

We will determine the value of any property involved in the event of an insured event as follows:

- a.** At "Actual Cash Value" as of the time of the insured event, except as provided in **b.**, **c.**, **d.**, and **e.** below.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A.** Exclusion **(1)(d) Nuclear Hazard** in **SECTION A. COVERAGE, 3. Covered Causes of Loss, b. Exclusions** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is deleted in its entirety and replaced by the following:

(1)(d) Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused. However, if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the "loss" caused by that fire.

- B.** Exclusion **2.d. Nuclear Hazard** in **SECTION E. EXCLUSIONS** of the **MORTGAGE INTEREST COVERAGE FORM** is deleted in its entirety and replaced by the following:

2.d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused. However, if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the "loss" caused by that fire.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. Paragraphs **1.**, **2.** and **5.** of the **Cancellation** Common Policy Condition are deleted in their entirety and replaced by the following:

- 1.** The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us or our authorized agent advance notice of cancellation.
- 2.** We or our authorized agent may cancel this policy by mailing or delivering to the first Named Insured, with postage fully prepaid, 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.
- 5.** If this policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the:

- 1.** Loss Payment Condition; and
- 2.** Mortgage Holders Condition:

If a municipality has elected to apply the provisions of 1998 Michigan Public Act 217, a part of our payment for fire, explosion, vandalism, windstorm or hail, or riot or civil commotion "loss" to your covered real property in that municipality will be withheld if the "loss" is subject to the provisions of the Act. The withheld amount will be paid either to:

- a.** The municipality
- b.** You and the mortgage holder, if any; or
- c.** With your consent, the licensed contractor hired by you to perform repair, replacement, or removal services on the lost or damaged real property

according to the provisions of Public Act 217. We will notify you, any mortgageholder and the municipality of any loss subject to the provisions of Public Act 217.

C. The paragraph relating to prejudgment interest in Supplementary Payments in:

Mortgage Interest Coverage Form;

is replaced by the following:

Prejudgment interest awarded against you on that part of the judgment we become obligated to pay and which falls within the applicable Limit of Insurance.

D. Commercial Property Coverage Part - Duties Amended

- 1.** The following, **D.2.** through **D.4.**, apply to the:

Mortgage Interest Coverage Form - Condition **K.2.b.** - Duties in the Event of Loss - Coverages **C** and **D**; and

- 2.** Paragraph **K.2.b.(1)** in the Mortgage Interest Coverage Form is replaced by the following:

If a claim is made or "suit" is brought against you, you must see to it that we receive prompt notice of the claim or "suit".

- 3.** Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

- 4.** Failure to:

- a.** Give us prompt notice of an accident, claim or "suit"; or
- b.** Immediately send us copies of demands, notices, summonses or legal papers received in connection with a claim or "suit";

shall not invalidate a claim made by you if it shall be shown that it was not reasonably possible to give us prompt notice or to immediately send us copies, and that you gave us notice and sent us copies as soon as was reasonably possible.

- E. The following is added to the Legal Action
Against Us Commercial Property Condition:

The time for commencing an action against us is tolled from the time you notify us of the "loss" until we formally deny liability for the claim.

- F. The following Condition is added and supercedes any other provision to the contrary:

NONRENEWAL

If we decide not to renew this policy, we will mail or deliver to the first Named Insured's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 30 days before:

- a. The expiration date of this policy; or
- b. The anniversary date of this policy if the policy is written for a term of more than one year.

COMMERCIAL PROPERTY CONDITIONS

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

A. Concealment, Misrepresentation or Fraud

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

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

B. Control of Property

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

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

C. Insurance Under Two or More Coverages

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

D. Legal Action Against Us

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

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

E. Liberalization

If, within 60 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

F. No Benefit to Bailee

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

G. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered "loss". Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same "loss", other than that described in 1. above, we will pay only for the amount of covered "loss" in excess of the amount due from that other insurance, whether you can collect on it or not. **However, we will not reimburse any deductible or difference between Actual Cash Value and Replacement Cost valuations.** We will not pay more than the applicable Limit of Insurance.

H. Policy Period, Coverage Territory

Under this Coverage Part:

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

I. Transfer of Rights of Recovery Against Others to Us

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

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

This will not restrict your insurance.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION F. DEFINITIONS**.

SECTION A. COVERAGE

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

- a. "Business Income" including "Rental Value".
- b. "Business Income" other than "Rental Value".
- c. "Rental Value".

If option **a.** above is selected, the term "Business Income" will include "Rental Value". If option **c.** above is selected, the term "Business Income" will mean "Rental Value" only.

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

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 "loss" to property at "premises" which are described in the Declarations and for which a "Business Income" Limit of Insurance is shown in the Declarations. The "loss" must be caused by or result from a Covered Cause of Loss. With respect to "loss" to personal property in the open (or personal property in a vehicle or portable storage unit), the "premises" include the area within 1,000 feet of the building or 1,000 feet of the "premises", whichever distance is greater.
- b. With respect to the requirements set forth in the preceding paragraph, if you are a tenant and occupy only part of the site at which the "premises" are located, for the purposes of this Coverage Part only, your "premises" is the portion of the building which you rent, lease or occupy, including:
 - (1) Any area within the building or on the site at which the "premises" are lo-

cated if that area services or is used to gain access to the described "premises".

- (2) Your personal property in the open (or in a vehicle or portable storage unit) within 1,000 feet of the building or 1,000 feet of the "premises", whichever distance is greater.

2. Extra Expense

- a. Extra Expense coverage is provided at the "premises" described in the Declarations only if the Declarations show that "Business Income" coverage applies at that "premises".
- b. Extra Expense means necessary expenses you sustain (as described in Paragraphs **2.c.**, **d.** and **e.**) during the "period of restoration" that you would not have sustained if there had been no direct "loss" to property caused by or resulting from a Covered Cause of Loss.
- c. If these expenses reduce the otherwise payable "Business Income" "loss", we will pay expenses (other than the expense to repair or replace property as described in Paragraph **2.d.**) to:
 - (1) Avoid or minimize the "suspension" of business and to continue "operations" either:
 - (a) At the "premises"; or
 - (b) At replacement "premises" or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location; or
 - (2) Minimize the "suspension" of business if you cannot continue "operations".
- d. We will also pay expenses to:
 - (1) Repair or replace property; or

- (2) Research, replace or restore the lost information on damaged "valuable papers and records";

but only to the extent this payment reduces the otherwise payable "Business Income" "loss". If any property obtained for temporary use during the "period of restoration" remains after the resumption of normal "operations", the amount we will pay under this Coverage Form will be reduced by the salvage value of that property.

- e. Extra Expense as described in Paragraphs 2.a. thru 2.d. does not apply to "loss" to Covered Property as described in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**.

3. Covered Causes of Loss

See **BUILDING AND PERSONAL PROPERTY COVERAGE FORM, SECTION A. COVERAGE, 3. Covered Causes of Loss**.

4. Limitation for Electronic Data

- a. Coverage for "Business Income" does not apply when a "suspension" of "operations" is caused by destruction or corruption of "electronic data", or any "loss" to "electronic data", except as provided under **SECTION A. COVERAGE, 5. Additional Coverages, d. Interruption of Computer Operations**.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of "electronic data", or any "loss" to "electronic data", except as provided under **SECTION A. COVERAGE, 5. Additional Coverages, d. Interruption of Computer Operations**.
- c. This Limitation does not apply when "loss" 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.

5. Additional Coverages

The Additional Coverages in Paragraphs 5.a. through 5.e. are included within and not additional "Business Income" and Extra Expense Limits of Insurance.

a. Alterations and New Buildings

We will pay for the actual loss of "Business Income" you sustain and necessary Extra Expense you sustain due to direct "loss" at the "premises" caused by or re-

sulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 1,000 feet of the "premises" and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct "loss" delays the start of "operations", the "period of restoration" for "Business Income" coverage will begin on the date "operations" would have begun if the direct "loss" had not occurred.

b. Civil Authority

When a Covered Cause of Loss causes direct damage to property other than Covered Property at the "premises", we will pay for the actual loss of "Business Income" you sustain and necessary Extra Expense you sustain caused by action of civil authority that prohibits access to the "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
- (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 immediately after the time of the first action of civil authority that prohibits access to the "premises" and will apply for a period of up to 30 consecutive days from the date on which such coverage began.

Civil Authority coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the "premises" and will end 30 consecutive days after the date of that action; or when your Civil Authority coverage for "Business income" coverage ends, whichever is later.

c. Extended Business Income**(1) "Business Income" Other Than "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Business Income" "loss" payable under this Coverage Part, we will pay for the actual loss of "Business Income" you sustain during the period that:

- (a)** Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b)** Ends on the earlier of:
 - (i)** The date you could restore your "operations", with reasonable speed, to the level which would generate the "Business Income" amount that would have existed if no direct "loss" had occurred; or
 - (ii)** 60 consecutive days after the date determined in **c.(1)(a)** above.

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

Loss of "Business Income" must be caused by direct "loss" at the "premises" caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this Coverage Part, we will pay for the actual loss of "Rental Value" you sustain during the period that:

- (a)** Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b)** Ends on the earlier of:
 - (i)** The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct "loss" had occurred; or

- (ii)** 60 consecutive days after the date determined in **c.(2)(a)** above.

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

Loss of "Rental Value" must be caused by direct "loss" at the described "premises" caused by or resulting from any Covered Cause of Loss.

d. Interruption of Computer Operations

- (1)** Subject to all provisions of this Additional Coverage - **Interruption of Computer Operations**, 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. This Additional Coverage - **Interruption of Computer Operations** does not apply when "loss" to "electronic data" only involves "loss" to "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2)** The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (3)** The most we will pay under this Additional Coverage - **Interruption of Computer Operations** is \$2,500 for all "loss" sustained and expense sustained in any "coverage term", regardless of the number of interruptions or the number of "premises", locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this

amount, then the balance is available for "loss" or expense sustained as a result of subsequent interruptions in that "coverage term". A balance remaining at the end of a "coverage term" does not increase the amount of insurance in the next "coverage term". With respect to any interruption which begins in one "coverage term" and continues or results in additional "loss" or expense in that subsequent "coverage term", all "loss" and expense is deemed to be sustained in the "coverage term" in which the interruption began.

- (4) This Additional Coverage - **Interruption in Computer Operations** does not apply to "loss" sustained or expense sustained after the end of the "period of restoration", even if the amount of insurance stated in Paragraph **d.(3)** of this Additional Coverage has not been exhausted.

e. Ingress and Egress

We will pay for the actual loss of "Business Income" you sustain and necessary Extra Expense you sustain caused by the prevention of existing ingress or egress at a "premises" shown in the Declarations due to direct "loss" by a Covered Cause of Loss at a location contiguous to such "premises". However, coverage does not apply if ingress or egress from the "premises" is prohibited by civil authority.

Ingress and egress coverage for "Business Income" will begin immediately after the time of the direct "loss" and will continue for a period up to 30 consecutive days.

Ingress and egress coverage for Extra Expense will begin at time of the direct "loss" and will continue for 30 consecutive days or whenever your Ingress and Egress "business income" coverage ends, whichever occurs first.

6. Coverage Extension

The limit applicable to the Coverage Extension is in addition to the Limit of Insurance. **SECTION D. ADDITIONAL CONDITION, 1. Coinsurance** does not apply to this Coverage Extension.

Newly Purchased or Leased Locations

- a. You may extend your "Business Income" and Extra Expense coverages to apply to property located at:
- (1) New buildings or additions while being built on a "premises";

- (2) Buildings you newly purchase or become required to insure by written contract; or
- (3) Leased buildings or space therein that you are not required to insure. Such lease must be for a period of 12 consecutive months or longer.

This does not apply to property situated at trade shows, fairs or exhibitions.

- b. The most we will pay in total for "Business Income" and Extra Expense "loss" under this Coverage Extension is \$100,000 at each location described in Paragraph **6.a**.
- c. Insurance under this Coverage Extension will end when any of the following first occurs:
- (1) This policy expires;
- (2) 90 days pass from the date you begin construction on that part of the building that would qualify as Covered Property;
- (3) 90 days pass from the date you purchase, lease, or become contractually required to insure property described in Paragraphs **6.a.(2)** and **(3)**; or
- (4) You report values to us when you acquire your new building or business personal property.

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

SECTION B. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

SECTION C. LOSS CONDITIONS

The following conditions apply in addition to the **COMMON POLICY CONDITIONS** and the **COMMERCIAL PROPERTY CONDITIONS**.

1. Appraisal

If we and you disagree on the amount of "Business Income" or Extra Expense "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 separate-

ly the amount of "Business Income" or Extra Expense "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

2. Duties in the Event of Loss

- a. You must see that the following are done in the event you have a "Business Income" or Extra Expense "loss":

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

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

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

your "operations" as quickly as possible.

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

3. Loss Determination

- a. The amount of "Business Income" "loss" will be determined based on:

- (1) The Net Income of the business before the direct "loss" occurred;
- (2) The likely Net Income of the business if no direct "loss" had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct "loss"; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

- b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been sustained by "operations" during the "period of restoration" if no direct "loss" had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- (2) Necessary expenses that reduce the "Business Income" "loss" that otherwise would have been incurred.

c. Resumption of Operations

We will reduce the amount of your:

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

- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for insured "loss" within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of "loss"; or
- b. An appraisal award has been made.

SECTION D. ADDITIONAL CONDITION

1. Coinurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the **COMMON POLICY CONDITIONS** and the **COMMERCIAL PROPERTY CONDITIONS**.

We will not pay the full amount of any "Business Income" "loss" if the Limit of Insurance for "Business Income" is less than:

- a. The Coinsurance percentage shown for "Business Income" in the Declarations; times
- b. The sum of:
- (1) The Net Income (Net Profit or Loss before income taxes), and
- (2) Operating expenses, including payroll expenses,

that would have been earned or incurred (had no direct "loss" occurred) by your "operations" at the "premises" for the 12 months following the inception, or last previous anniversary date, of this Coverage Part (whichever is later).

Instead, we will determine the most we will pay using the following steps:

1. Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this Coverage Part by the Coinsurance percentage;
2. Divide the Limit of Insurance for the described "premises" by the figure determined in Step 1.; and
3. Multiply the total amount of "loss" by the figure determined in Step 2.

We will pay the amount determined in Step 3. or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

1. Prepaid freight - outgoing;
2. Returns and allowances;
3. Discounts;
4. Bad debts;
5. Collection expenses;
6. Cost of raw stock and factory supplies consumed (including transportation charges);
7. Cost of merchandise sold (including transportation charges);
8. Cost of other supplies consumed (including transportation charges);
9. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
10. Power, heat and refrigeration expenses that do not continue under contract (if Form **CP 15 11** is attached);
11. All payroll expenses or the amount of payroll expense excludable (if Form **FA 465** is attached); and
12. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion - not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example No. 1 (Underinsurance):

When: The Net Income and operating expenses for the 12 months follow-

ing the inception, or last previous anniversary date of this Coverage Part at "premises" would have been \$400,000.

The Coinsurance percentage is 50%

The Limit of Insurance Is \$150,000

"Business Income" "loss" is \$80,000

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

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

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

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

Example No. 2 (Adequate Insurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date of this Coverage Part at the "premises" would have been \$400,000.

The Coinsurance percentage is 50%

The Limit of Insurance Is \$200,000

"Business Income" "loss" is \$80,000

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

This condition does not apply to Extra Expense.

SECTION E. OPTIONAL COVERAGES

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

1. Maximum Period of Indemnity

a. **SECTION D. ADDITIONAL CONDITIONS, 1. Coinsurance** does not apply to this Coverage Part at the "premises" to which this Optional Coverage applies.

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

- (1) The amount of "Business Income" and Extra Expense "loss" sustained during the 120 days immediately following the beginning of the "period of restoration"; or

- (2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit of Indemnity

a. **SECTION D. ADDITIONAL CONDITIONS, 1. Coinsurance** does not apply to this Coverage Part at the "premises" to which this Optional Coverage applies.

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

- (1) The Limit of Insurance; multiplied by

- (2) The fraction shown in the Declarations for this Optional Coverage.

Example:

When: The "Business Income" Limit of Insurance is \$120,000

The fraction shown in the Declarations for this Optional Coverage is $\frac{1}{4}$

The most we will pay for "loss" in each period of 30 consecutive days is: $\$120,000 \times \frac{1}{4} = \$30,000$.

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

Days	1-30	\$40,000
Days	31-60	20,000
Days	61-90	30,000
		<u>\$90,000</u>

We will pay:

Days	1-30	\$30,000
Days	31-60	20,000
Days	61-90	30,000
		<u>\$80,000</u>

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

a. To activate this Optional Coverage:

(1) A Business Income Report/Work Sheet must be on file with the Company and must show financial data for your "operations":

(a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies. The "Business Income" Limit of Insurance indicated on the Declarations should

be at least equal to the Agreed Value, which is determined by:

(a) The Coinsurance percentage shown in the Declarations; multiplied by

(b) The amount of Net Income and Operating Expenses for the following 12 months you report on the Work Sheet.

b. Except as noted in c. below, the **ADDITIONAL CONDITION Coinsurance** is suspended until the expiration date of this Coverage Part.

c. We will reinstate the **ADDITIONAL CONDITION Coinsurance** automatically if you do not submit a new Work Sheet and Agreed Value:

(1) When you request a change in your "Business Income" Limit of Insurance; or

(2) When you request the coinsurance percentage be changed on the Work Sheet.

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

(1) The "Business Income" Limit of Insurance; divided by

(2) The Agreed Value.

Example:

When: The Limit of Insurance is \$100,000

The Agreed Value is \$200,000

"Business Income" "loss" is \$80,000

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

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

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

4. Extended Period of Indemnity

In **SECTION A. COVERAGE, 5. Additional Coverages, c. Extended Business Income**, the number "60" in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

SECTION F. DEFINITIONS

1. "Business Income" means the:

a. Net income (Net Profit or Loss before income taxes) that would have been earned or incurred; and

b. Continuing normal operating expenses sustained, including payroll.

2. "Computer programs" 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.

3. "Coverage term" means the following individual increment, or if a multi-year policy period, increments, of time, which comprise the policy period of this Coverage Part:

a. The year commencing on the Effective Date of this Coverage Part at 12:01 A.M. standard time at your mailing address shown in the Declarations, and if a multi-year policy period, each consecutive annual period thereafter, or portion thereof if any period is for a period of less than 12 months, constitute individual "coverage terms". The last "coverage term" ends at 12:00 A.M. standard time at your mailing address shown in the Declarations on the earlier of:

(1) The day the policy period shown in the Declarations ends; or

(2) The day the policy to which this Coverage Part is attached is terminated or cancelled.

b. However, if after the issuance of this Coverage Part, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".

4. "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.

5. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a coinsurance percentage shown for "Business Income" in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the "premises" of any retail outlet insured under this Coverage Part.

6. "Loss" means accidental physical loss or accidental physical damage.
7. "Operations" means:
 - a. Your business activities occurring at the "premises"; and
 - b. The tenantability of the "premises", if coverage for "Business Income" including "Rental Value" or "Rental Value" applies.
8. "Period of restoration" means the period of time that:
 - a. Begins at the time of direct "loss".
 - b. Ends on the earlier of:
 - (1) The date when the property at the "premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.
 - c. "Period of restoration" 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".
 - d. The expiration date of the Coverage Part will not cut short the "period of restoration".
9. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, asbestos, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property, or the environment regardless of whether injury or damage is caused directly or indirectly by the "pollutants" and whether:
 - a. You are regularly or otherwise engaged in activities which taint or degrade the environment; or
 - b. You use, generate or produce the "pollutant".
10. "Premises" means the Locations and Buildings described in the Declarations.
11. "Rental Value" means "Business Income" that consists of:
 - a. Net income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the "premises" described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the "premises" which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that "premises", including:
 - (1) Payroll; and
 - (2) The amount of charges, which are the legal obligation of the tenant(s) but would otherwise be your obligations.
12. "Suspension" means:
 - a. The slowdown or cessation of your business activities; and
 - b. That a part or all of the "premises" is rendered untenable if coverage for "Business Income" including "Rental Value" or "Rental Value" applies.
13. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, card index systems, deeds, drawings, films, maps, mortgages, or proprietary information. But "valuable papers and records" does not mean "money" or "securities" or "electronic data", including the materials on which the "electronic data" is recorded.

THE CINCINNATI INSURANCE COMPANY

A Stock Insurance Company

**COMMERCIAL GENERAL LIABILITY COVERAGE
PART DECLARATIONS**

Attached to and forming part of POLICY NUMBER: ECP 034 21 08

Named Insured is the same as it appears in the Common Policy Declarations

LIMITS OF INSURANCE

EACH OCCURRENCE LIMIT	\$ 1,000,000	
GENERAL AGGREGATE LIMIT	\$ 2,000,000	
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$ 2,000,000	
PERSONAL & ADVERTISING INJURY LIMIT	\$ 1,000,000	ANY ONE PERSON OR ORGANIZATION
DAMAGE TO PREMISES RENTED TO YOU LIMIT		ANY ONE
\$100,000 limit unless otherwise indicated herein:	\$ 1,000,000	PREMISES
MEDICAL EXPENSE LIMIT		
\$5,000 limit unless otherwise indicated herein:	\$	ANY ONE PERSON

CLASSIFICATION	CODE NO.	PREMIUM BASE	RATE		ADVANCE PREMIUM	
		A - Area B - Payroll C - Gross Sales D - Units E - Other	Products / Completed Operations	All Other	Products / Completed Operations	All Other
LOC. 1 - MI DENTISTS INCL PROD AND/OR COMP OP	06034	A1,100		211.113		232
ADDITIONAL INSUREDS	29938					35

The General Liability Coverage Part is subject to an annual minimum premium.

TOTAL ANNUAL PREMIUM \$ 267

FORMS AND / OR ENDORSEMENTS APPLICABLE TO COMMERCIAL GENERAL LIABILITY COVERAGE PART:

GA101	12/04	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
GA4251	01/06	NOTICE TO POLICYHOLDERS - MOBILE EQUIPMENT SUBJECT TO MOTOR VEHICLE INSURANCE LAWS
CG2244	07/98	EXCLUSION - SERVICES FURNISHED BY HEALTH CARE PROVIDERS
GA3024	05/14	EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH LIMITED BODILY INJURY EXCEPTION
GA4079	10/01	ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES
GA4250	11/05	MOBILE EQUIPMENT SUBJECT TO MOTOR VEHICLE INSURANCE LAWS
GA481MI	09/02	MICHIGAN CHANGES
GCP201	05/11	CINCIPAK™ COMMERCIAL GENERAL LIABILITY AMENDATORY ENDORSEMENT

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

The word "insured" means any person or organization qualifying as such under **SECTION II - WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS**.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

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

- (1) The amount we will pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**; **SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**; or medical expenses under **SECTION I - COVERAGES, COVERAGE C. MEDICAL PAYMENTS**.

No other obligation or liability to pay sums or perform acts or services is covered unless expressly provided for under

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and
 - (3) Prior to the "coverage term" in which "bodily injury" or "property damage" occurs, you did not know, per Paragraph **1.d.** below, that the "bodily injury" or "property damage" had occurred or had begun to occur, in whole or in part.
- c. "Bodily injury" or "property damage" which:
- (1) Occurs during the "coverage term"; and
 - (2) Was not, prior to the "coverage term", known by you, per Paragraph **1.d.** below, to have occurred;
- includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the "coverage term" in which it first became known by you.
- d. You will be deemed to know that "bodily injury" or "property damage" has occurred at the earliest time when any "authorized representative":
- (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";
 - (3) First observes, or reasonably should have first observed, the "bodily injury" or "property damage";
 - (4) Becomes aware, or reasonably should have become aware, by any means other than as described in (3) above, that "bodily injury" or "property damage" had occurred or had begun to occur; or
 - (5) Becomes aware, or reasonably should have become aware, of a

condition from which "bodily injury" or "property damage" is substantially certain to occur.

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

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" which may reasonably be expected to result from the intentional or criminal acts of the insured or which is in fact expected or intended by the insured, even if the injury or damage is of a different degree or type than actually expected or intended. 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. When a claim for such "bodily injury" or "property damage" is made, we will defend that claim provided the insured has assumed the obligation to defend such claim in the "insured contract". Such defense payments will not reduce the limits of insurance.

c. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

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

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing 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 sustained in the "workplace";
- (2) An "employee" of the insured arising out of the performance of duties related to the conduct of the insured's business; or
- (3) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraphs (1) or (2) above.

This exclusion applies:

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

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

f. Pollutant

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or emission 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, Paragraph (a) does not apply to:

- 1) "Bodily injury" to any person injured while on any premises, site or location owned or occupied by, or rented or loaned to, you provided:

- a) The injury is caused by the inadequate ventilation of vapors;
- b) The person injured is first exposed to such vapors during the policy period; and
- c) Within 30 days of such first exposure, the person injured is clinically diagnosed or treated by a physician for the medical condition caused by the exposure to such vapors. However, Paragraph **c)** does not apply if the "bodily injury" is caused by vapors 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.

This exception **1)** shall apply only to Named Insureds; we shall have no duty to defend or pay damages for any person or organization that is not a Named Insured. However, this paragraph does not apply if the "bodily injury" is caused by vapors 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.

For the purpose of the exception granted in Paragraph **1)** only, vapors means any gaseous or airborne irritant or airborne contaminant, including smoke, fumes, vapor or soot, but excluding asbestos, which is discharged, dispersed, emitted, released or escapes from materials, machinery or equipment used in the service or maintenance of the premises. Vapors does not mean any gaseous or

airborne irritants or contaminants used in a manufacturing process or which is the product or by-product of any manufacturing process;

- 2) "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 this Coverage Part as an additional insured with respect to your ongoing operations or "your work" 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
- 3) "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:
 - 1) Any insured; or
 - 2) 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, Paragraph **(d)** does not apply to:
 - 1) "Bodily injury" or "property damage" arising out of the discharge, dispersal, seepage, migration, release, es-

cape or emission of fuels, lubricants or other operating fluids, or exhaust gases, which are needed to perform, or are the result of, 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, or exhaust gases, escape, seep or migrate, or are discharged, dispersed, released or emitted from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids, or exhaust gases, escape, seep or migrate, or are discharged, dispersed, released or emitted with the intent to cause "bodily injury" or "property damage" or with the knowledge that "bodily injury" or "property damage" is substantially certain to occur, or if such fuels, lubricants or other operating fluids, or exhaust gases, are brought on or to the premises, site or location with such intent to escape, seep or migrate, or be discharged, dispersed, released or emitted as part of the operations being performed by such insured, contractor or subcontractor;

- 2) "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
- 3) "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 op-

erations 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, Paragraphs (2)(a) and (b) do not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto or Watercraft

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

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 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 on, attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or

(b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

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

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

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

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by

governmental authority in hindering or defending against any of these.

j. Damage to Property

"Property damage" to:

(1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of an insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

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

Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire or explosion) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days, for which the amount we will pay is limited to the Damage To Premises Rented To You Limit as described in **SECTION III - LIMITS OF INSURANCE**.

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

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

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

k. Damage to Your Product

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

l. Damage to Your Work

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

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

m. Damage to Impaired Property or Property Not Physically Injured

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

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

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

n. Recall of Products, Work or Impaired Property

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

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

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

o. Personal and Advertising Injury

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

p. Asbestos

"Bodily injury" or "property damage" arising out of, attributable to, or any way related to asbestos in any form or transmitted in any manner.

q. Employment-Related Practices

"Bodily injury" to:

(1) A person arising out of any:

- (a) Refusal to employ that person;
- (b) Termination of that person's employment; or
- (c) Other employment-related practices, policies, acts or omissions including but not limited to coercion, criticism, demotion, evaluation, failure to promote, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

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

r. Additional Insured Prior Knowledge

An additional insured added by attachment of an endorsement to this Coverage Part that is seeking coverage for a claim or "suit", if that additional insured knew, per the following paragraph, that "bodily injury" or "property damage" had occurred or had begun to occur, in whole or in part, prior to the "coverage term" in which such "bodily injury" or "property damage" occurs or begins to occur.

An additional insured added by attachment of an endorsement to this Coverage Part will be deemed to have known that "bodily injury" or "property damage" has occurred or has begun to occur at the earliest time when that additional insured, or any one of its owners, members, partners, managers, executive officers, "employees" assigned to manage that additional insured's insurance program, or "employees" assigned to give or receive notice of an "occurrence", "personal and advertising injury" offense, claim or "suit":

- (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";
- (3) First observes, or reasonably should have first observed, the "bodily injury" or "property damage";
- (4) Becomes aware, or reasonably should have become aware, by any means other than as described in (3) above, that "bodily injury" or "property damage" had occurred or had begun to occur; or
- (5) Becomes aware, or reasonably should have become aware, of a condition from which "bodily injury" or "property damage" is substantially certain to occur.

s. Electronic Data

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

t. Distribution of Material in Violation of Statutes

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

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **q.** do not apply to "property damage" by fire or explosion to premises while rented to you or temporarily occupied by you with permission of the owner, for which the amount we will pay is limited to the Damage to Premises Rented To You Limit as described in **SECTION III - LIMITS OF INSURANCE**.

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

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

- (1) The amount we will pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY; SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**; or medical expenses under **SECTION I - COVERAGES, COVERAGE C. MEDICAL PAYMENTS**.

No other obligation or liability to pay sums or perform acts or services is covered unless expressly provided for under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**.

- b. This insurance applies to "personal and advertising injury" only if:
 - (1) The "personal and advertising injury" is caused by an offense arising out of your business; and
 - (2) The "personal and advertising injury" offense was committed in the "coverage territory" during the policy period; and
 - (3) Prior to the "coverage term" in which the "personal and advertising injury" offense is committed, you did not know, per Paragraph **1.d.** below, that the offense had been committed or had begun to be committed, in whole or in part.
- c. "Personal and advertising injury" caused by an offense which:
 - (1) Was committed during the "coverage term"; and

- (2) Was not, prior to the "coverage term", known by you, per Paragraph 1.d. below, to have been committed;

includes any continuation, change or resumption of that offense after the end of the "coverage term" in which it first became known by you.

- d. You will be deemed to know that a "personal and advertising injury" offense has been committed at the earliest time when any "authorized representative":

- (1) Reports all, or any part, of the "personal and advertising injury" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "personal and advertising injury";
- (3) First observes, or reasonably should have first observed, the offense that caused the "personal and advertising injury";
- (4) Becomes aware, or reasonably should have become aware, by any means, other than as described in (3) above, that the offense had been committed or had begun to be committed; or
- (5) Becomes aware, or reasonably should have become aware, of a condition from which "personal and advertising injury" is substantially certain to occur.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation of Rights of Another

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

b. Material Published With Knowledge of Falsity

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

c. Material Published Prior to Coverage Term

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the later of the following:

- (1) The inception of this Coverage Part; or
- (2) The "coverage term" in which insurance coverage is sought.

d. Criminal Acts

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

e. Contractual Liability

"Personal and advertising injury" for which the insured 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 "personal and advertising injury" is caused by or arises out of an offense committed subsequent to the execution of the contract or agreement. When a claim for such "personal and advertising injury" is made, we will defend that claim, provided the insured has assumed the obligation to defend such claim in the "insured contract". Such defense payments will not reduce the limits of insurance.

f. Breach of Contract

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

g. Quality or Performance of Goods - Failure to Conform to Statements

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

h. Wrong Description of Prices

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

i. Infringement of Copyright, Patent, Trademark or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, pat-

ent, trademark, trade secret or other intellectual property rights.

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

j. Insureds in Media and Internet Type Businesses

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

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

However, this exclusion does not apply to Paragraphs **17. a., b. and c.** of "personal and advertising injury" under **SECTION V - DEFINITIONS.**

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

k. Electronic Chatrooms or Bulletin Boards

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

l. Unauthorized Use of Another's Name or Product

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

m. Employment Related Practices

"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) Other employment-related practices, policies, acts or omissions including but not limited to coercion, criticism, demotion, evaluation, failure to promote, reassignment, discipline, defamation, harassment, humiliation

or discrimination directed at that person; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs **(a), (b) or (c)** above is directed.

This exclusion applies:

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

n. Pollutant

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

o. Pollutant-Related

Any loss, cost or expense arising out of any:

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

p. Asbestos

"Personal and advertising injury" arising out of, attributable to, or any way related to asbestos in any form or transmitted in any manner.

q. Additional Insured Prior Knowledge

An additional insured added by attachment of an endorsement to this Coverage Part that is seeking coverage for a claim or "suit", if that additional insured knew, per the following paragraph, that a "personal and advertising injury" offense had been committed or had begun to be committed, in whole or in part, prior to the "coverage term" in which such offense

was committed or began to be committed.

An additional insured added by attachment of an endorsement to this Coverage Part will be deemed to have known that a "personal and advertising injury" offense has been committed or has begun to be committed at the earliest time when that additional insured, or any one of its owners, members, partners, managers, executive officers, "employees" assigned to manage that additional insured's insurance program, or "employees" assigned to give or receive notice of an "occurrence", "personal and advertising injury" offense, claim or "suit":

- (1) Reports all, or any part, of the "personal and advertising injury" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "personal and advertising injury";
- (3) First observes, or reasonably should have first observed, the offense that caused the "personal and advertising injury";
- (4) Becomes aware, or reasonably should have become aware, by any means other than as described in (3) above, that the "personal and advertising injury" offense had been committed or had begun to be committed; or
- (5) Becomes aware, or reasonably should have become aware, of a condition from which "personal and advertising injury" is substantially certain to occur.

r. War

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

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

s. Distribution of Material in Violation of Statutes

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

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement

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

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

provided that:

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

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

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

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

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

c. Injury on Normally Occupied Premises

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

d. Workers' Compensation and Similar Laws

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

e. Athletic Activities

To any person injured while officiating, coaching, practicing for, instructing or participating in any physical exercises or games, sports, or athletic contests or exhibitions of an athletic or sports nature.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

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

1. All expenses we incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. 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.

cluding actual loss of earnings up to \$250 a day because of time off from work.

5. All costs taxed against the insured in the "suit".
6. Prejudgment interest awarded against the insured on that part of the judgment we become obligated to pay and which falls within the applicable limit of insurance. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II - WHO IS AN INSURED**1. If you are designated in the Declarations as:**

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

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by

you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

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

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

(a) Owned, occupied or used by; or

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by,

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

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Insurance under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. a. The General Aggregate Limit is the most we will pay for the sum of:

(1) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**;

(2) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

(3) Damages under **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**.

This General Aggregate Limit will not apply if either the Location General Aggregate

- gate Limit of Insurance, Paragraph **2.b.**, or the Construction Project General Aggregate Limit of Insurance, Paragraph **2.c.** applies.
- b. A separate Location General Aggregate Limit of Insurance, equal to the amount of the General Aggregate Limit shown in the Declarations, shall apply to each location owned by, or rented or leased to you and is the most we will pay for the sum of:
- (1) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - (2) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**, which can be attributed to operations at only a single location owned by, or rented or leased to you.
- c. A separate Construction Project General Aggregate Limit of Insurance, equal to the amount of the General Aggregate Limit shown in the Declarations, shall apply to each construction project and is the most we will pay for the sum of:
- (1) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - (2) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**; which can be attributed only to ongoing operations and only at a single construction project.
- d. Only for the purpose of determining which General Aggregate Limit of Insurance, **2.a.**, **2.b.**, or **2.c.**, applies:
- (1) 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.
 - (2) Construction project means a location you do not own, rent or lease where ongoing improvements, alterations, installation, demolition or maintenance work is performed by you or on your behalf. All connected ongoing improvements, alterations, installation, demolition or maintenance work performed by you or on your behalf at the same location for the same persons or organizations, no matter how often or under how many different contracts, will be deemed to be a single construction project.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to **2.a.** above, the Personal and Advertising Injury Limit is the most we will pay under **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
- a. Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**; and
 - b. Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**; because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to **5.** above, the Damage to Premises Rented to You Limit is the most we will pay under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire or explosion, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to **5.** above, the Medical Expense Limit is the most we will pay under **COVERAGE C. MEDICAL PAYMENTS** for all medical expenses because of "bodily injury" sustained by any one person.
- The Limits of Insurance of this Coverage Part apply separately to each "coverage term".
- SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**
- 1. Bankruptcy**
- Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.
- 2. Duties in the Event of Occurrence, Offense, Claim or Suit**
- a. You must see to it that we are notified as soon as practicable of an "occurrence" or

a "personal and advertising injury" offense which may result in a claim. To the extent possible, notice should include:

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

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

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

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

c. You and any other involved insured must:

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

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

3. Legal Action Against Us

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

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable

under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Liberalization

If, within 60 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will automatically apply to this Coverage Part as of the latter of:

- a. The date we implemented the change in your state; or
- b. The date this Coverage Part became effective; and

will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

5. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** or **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar insurance for "your work";
 - (b) That is Fire or Explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to

premises rented to you or temporarily occupied by you with permission of the owner; or

- (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, g. Aircraft, Auto or Watercraft.**
- (2) Any other primary insurance available to the insured covering liability for damages arising out of the premises or operations, or the products and completed operations, for which the insured has been added as an additional insured by attachment of an endorsement.
- (3) Any other insurance:
 - (a) Whether primary, excess, contingent or on any other basis, except when such insurance is written specifically to be excess over this insurance; and
 - (b) That is a consolidated (wrap-up) insurance program which has been provided by the prime contractor/project manager or owner of the consolidated project in which you are involved.

When this insurance is excess, we will have no duty under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** or **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

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

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance

shown in the Declarations of this Coverage Part.

c. Method of Sharing

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

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

6. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If:
 - (1) The earned premium is less than the deposit premium, we will return the excess to the first Named Insured; or
 - (2) The earned premium is greater than the deposit premium, the difference will be due and payable to us by the first Named Insured upon notice from us.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

7. Representations

By accepting this Coverage Part, 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 Coverage Part in reliance upon your representations.

8. Separation of Insureds

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

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

9. **Transfer of Rights of Recovery Against Others to Us**

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

10. **Two or More Coverage Forms or Policies Issued by Us**

If this Coverage Part and any other Coverage Form, Coverage Part or policy issued to you by us or any company affiliated with us apply to the same "occurrence" or "personal and advertising injury" offense, the aggregate maximum limit of insurance under all the Coverage Forms, Coverage Parts or policies shall not exceed the highest applicable limit of insurance under any one Coverage Form, Coverage Part or policy. This condition does not apply to any Coverage Form, Coverage Part or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Part.

11. **When We Do Not Renew**

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

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

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast, telecast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. "Advertisement" includes a publicity article. For 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. "Authorized representative" means:

- a. If you are designated in the Declarations as:

- (1) An individual, you and your spouse are "authorized representatives".

- (2) A partnership or joint venture, your members, your partners, and their spouses are "authorized representatives".

- (3) A limited liability company, your members and your managers are "authorized representatives".

- (4) An organization other than a partnership, joint venture or limited liability company, your "executive officers" and directors are "authorized representatives". Provided you are not a publicly traded organization, your stockholders are also "authorized representatives".

- (5) A trust, your trustees are "authorized representatives".

- b. Your "employees":

- (1) Assigned to manage your insurance program; or

- (2) Responsible for giving or receiving notice of an "occurrence", "personal and advertising injury" offense, claim or "suit";

are also "authorized representatives".

3. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

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

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

5. "Coverage term" means the following individual increment, or if a multi-year policy period, increments, of time, which comprise the policy period of this Coverage Part:

- a. The year commencing on the Effective Date of this Coverage Part at 12:01 AM standard time at your mailing address shown in the Declarations, and if a multi-year policy period, each consecutive annual period thereafter, or portion thereof if any period is for a period of less than 12 months, constitute individual "coverage terms". The last "coverage term" ends at

- 12:00 AM standard time at your mailing address shown in the Declarations on the earlier of:
- (1) The day the policy period shown in the Declarations ends; or
 - (2) The day the policy to which this Coverage Part is attached is terminated or cancelled.
- b. However, if after the issuance of this Coverage Part, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".
6. "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 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 a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; 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 a. above or in a settlement to which we agree.
7. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
12. "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 "property damage" by fire or explosion 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", "property damage" or "personal and advertising injury" 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", "property damage" or "personal and advertising injury" arising out of construction or demolition operations, within 50 feet of any rail-

road property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;

- (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, architectural or engineering activities;

- (4) That indemnifies an advertising, public relations or media consulting firm for "personal and advertising injury" arising out of the planning, execution or failure to execute marketing communications programs. Marketing communications programs include but are not limited to comprehensive marketing campaigns; consumer, trade and corporate advertising for all media; media planning, buying, monitoring and analysis; direct mail; promotion; sales materials; design; presentations; point-of-sale materials; market research; public relations and new product development;

- (5) Under which the insured, if an advertising, public relations or media consulting firm, assumes liability for "personal and advertising injury" arising out of the insured's rendering or failure to render professional services, including those services listed in Paragraph (4), above;

- (6) That indemnifies a web-site designer or content provider, or Internet search, access, content or service provider for injury or damage arising out of the planning, execution or failure to execute Internet services. Internet services include but are not limited to design, production, distribution, maintenance and administration of web-sites and web-banners; hosting web-sites; registering domain names; registering with search

engines; marketing analysis; and providing access to the Internet or other similar networks; or

- (7) Under which the insured, if a web-site designer or content provider, or Internet search, access, content or service provider, assumes liability for injury or damage arising out of the insured's rendering or failure to render Internet services, including those listed in Paragraph (6), above.

13. "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" includes supervisors furnished to you by the labor leasing firm. "Leased worker" does not include a "temporary worker".

14. "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".

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

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to

permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in **a., b., c. or d.** above maintained primarily for purposes other than the transportation of persons or cargo.

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

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

- 16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 17. "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".

18. "Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property or the environment regardless of whether the injury or damage is caused directly or indirectly by the "pollutants" and whether:

- a. The insured is regularly or otherwise engaged in activities which taint or degrade the environment; or
- b. The insured uses, generates or produces the "pollutant".

19. "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; or
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site; or
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a schedule, states that products-completed operations are included.

20. "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.

21. "Suit" means a civil proceeding in which money 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;
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent; or
- c. An appeal of a civil proceeding.

22. "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.

23. "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.

24. "Workplace" means that place and during such hours to which the "employee" sustaining "bodily injury" was assigned by you, or any other person or entity acting on your behalf, to work on the date of "occurrence".

25. "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.

26. "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.

NUCLEAR ENERGY LIABILITY EXCLUSION

(Broad Form)

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an insured under this Coverage Part is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the insured is, or had this Coverage Part not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an insured, or **(b)** has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an insured; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by

an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this exclusion:

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

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

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

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

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

"Nuclear facility" means:

A. Any "nuclear reactor";

B. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

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

D. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

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

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

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

NOTICE TO POLICYHOLDERS - MOBILE EQUIPMENT SUBJECT TO MOTOR VEHICLE INSURANCE LAWS

This is a notice of a change in your policy. NO COVERAGE IS PROVIDED BY THIS 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 coverage you are provided. If there is any conflict between the policy and this notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

COMMERCIAL GENERAL LIABILITY COVERAGE PART

GA 4250 Mobile Equipment Subject to Motor Vehicle Insurance Laws has been added to your policy.

This endorsement revises the definitions of "mobile equipment" and "auto" to those definitions used prior to the introduction of Commercial General Liability Form, **GA 101 12 04**. This endorsement only applies if you have no Auto Coverage Form in force or the land vehicle does not meet the definition of auto in your Auto Coverage Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - SERVICES FURNISHED BY
HEALTH CARE PROVIDERS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
SCHEDULE**

Description Of Operations:

DENTIST

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

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

With respect to any operation shown in the Schedule, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The rendering or failure to render:
 - a. Medical, surgical, dental, x-ray or nursing service, treatment, advice or instruction, or the related furnishing of food or beverages;
 - b. Any health or therapeutic service, treatment, advice or instruction; or
 - c. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming.
2. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or
3. The handling or treatment of dead bodies, including autopsies, organ donation or other procedures.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

- s. Access or Disclosure of Confidential or Personal Information and Data-Related Liability**

Damages arising out of:

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

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

ing 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".

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

2. Exclusions

This insurance does not apply to:

Access or Disclosure of Confidential or Personal Information

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART SCHEDULE

1. Designation of Premises (Part Leased to You):

555 S OLD WOODWARD AVE STE 701
BIRMINGHAM, MI 48009-6618

2. Name of Person or Organization (Additional Insured):

ASSOCIATES OF 555 LTD PARTNERS
555 S OLD WOODWARD AVE
BIRMINGHAM, MI 48009-6658

SECTION II - WHO IS AN INSURED is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

- 1.** Any "occurrence" which takes place after you cease to be a tenant in that premises.
- 2.** Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.
- 3.** "Bodily injury", "property damage" or "personal and advertising injury" arising out of the sole negligence or willful misconduct of the additional insured or its "employees".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOBILE EQUIPMENT SUBJECT TO MOTOR VEHICLE INSURANCE LAWS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, g. Aircraft, Auto or Watercraft is replaced by the following:

This insurance does not apply to:

g. Aircraft, Auto or Watercraft

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

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises that 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 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 the operation of any of the equipment listed in Paragraph f.

(2) or f. (3) of the definition of "mobile equipment".

B. SECTION II - WHO IS AN INSURED is amended to include:

4. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
 - a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
 - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

C. SECTION V - DEFINITIONS, 3. "Auto" and 15. "Mobile equipment" are replaced by the following:

3. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
 - a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted;

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

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

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

D. This endorsement does not apply to any liability arising from an "occurrence" caused by or arising from any land vehicle if:

1. You have an Auto Coverage Form in force at the time of the "occurrence"; and

2. The land vehicle meets the definition of auto in your Auto Coverage Form or policy, regardless of whether or not such land vehicle is:

a. A covered auto under such Auto Coverage Form or policy; or

b. Specifically described on a schedule of covered autos on your Auto Coverage Form or policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
EMPLOYEE BENEFIT LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS / COMPLETED OPERATIONS LIABILITY COVERAGE PART**

With respect to **Section IV - Conditions**

Item **10.** Two or More Coverage Forms or Policies Issued by Us is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CinciPak™

**COMMERCIAL GENERAL LIABILITY AMENDATORY
ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

I. SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions is amended as follows:

A. Exclusion **j. Damage to Property** is deleted in its entirety and replaced by the following:

j. Damage to Property

"Property damage" to:

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

Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire, explosion, lightning, smoke, soot or water) to premises, including the con-

tents of such premises, rented to you for a period of 7 or fewer consecutive days, for which the amount we will pay is limited to the Damage To Premises Rented To You Limit as described in **SECTION III - LIMITS OF INSURANCE**.

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

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

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

B. The last Paragraph of **2. Exclusions** is deleted in its entirety and replaced by the following:

Exclusions **c.** through **q.** do not apply to "property damage" by fire, explosion, lightning, smoke, soot or water to premises while rented to you or temporarily occupied by you with permission of the owner, for which the amount we will pay is limited to the Damage to Premises Rented To You Limit as described in **SECTION III - LIMITS OF INSURANCE**.

II. SECTION I - COVERAGES, SUPPLEMENTARY PAYMENTS - COVERAGES A AND B, is amended as follows:

A. Paragraph **2.** is deleted in its entirety and replaced by the following:

- 2.** Up to \$1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

B. Paragraph **4.** is deleted in its entirety and replaced by the following:

4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

III. SECTION III - LIMITS OF INSURANCE, Paragraph 6. is deleted in its entirety and replaced by the following:

6. Subject to 5. above, the Damage to Premises Rented to You Limit is the most we will pay under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, explosion, lightning, smoke, soot or water, while rented to you or temporarily occupied by you with permission of the owner.

IV. SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, Condition 5. Other

Insurance Paragraph **b.(1)(b)** is deleted in its entirety and replaced by the following:

- (b) That is Fire, Explosion, lightning, smoke, soot or Water Damage insurance for premises rented to you or temporarily occupied by you with permission of the owner;

V. SECTION V. - DEFINITIONS, Definition 12. "Insured contract" Paragraph a. is deleted in its entirety and replaced by the following:

- 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 "property damage" by fire, explosion, lightning, smoke, soot or water to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

THE CINCINNATI INSURANCE COMPANY

A Stock Insurance Company

**ELECTRONIC DATA PROCESSING EQUIPMENT COVERAGE
FORM DECLARATIONS**

NOTICE: INSURANCE COVERAGE UNDER ANY PARTICULAR COVERAGE INCLUDED WITHIN THIS FORM IS NOT IN FORCE UNLESS THE CORRESPONDING SECTION OF THESE DECLARATIONS HAS BEEN COMPLETED.

Attached to and forming a part of POLICY NUMBER: ECP 034 21 08

Named Insured is the same as it appears in the Common Policy Declarations

COVERAGE PROVISIONS (Only those items marked by an ☒, where so indicated, are applicable):**Limits of Insurance:****Limit of Insurance:**☐ Blanket:☒ **Coverage A - Electronic Data Processing Property:** \$☒ See Scheduled
Premises
Endorsement☒ **Coverage A - Coverage Extensions:****Limit of Insurance - Unless Otherwise Stated:**

a. Debris Removal:	\$50,000	-	\$	
b. Duplicate and Backup Electronic Media and Records:	\$10,000	-	\$	25,000
c. Off Premises: 20% of the Coverage A Limit of Insurance subject to a maximum of: \$50,000				\$	
d. Pollutant Clean Up and Removal	\$10,000	-	\$	
e. Recharge or Refill of a Fire Protection Device:	\$50,000	-	\$	
f. Third Party Host:	\$10,000	-	\$	

Limit of Insurance:☐ Blanket:☒ **Coverage B - Business Income and Extra Expense:** \$☒ See Scheduled
Premises
Endorsement☒ **Coverage C - Additional Coverages:****Limit of Insurance - Unless Otherwise Stated:**

1. Denial of Service	\$ 10,000	-	\$	
2. Loss Establishment Expenses	\$ 5,000	-	\$	
3. Malicious Code	\$ 10,000	-	\$	
4. Unauthorized Use	\$ 10,000	-	\$	

Note: The maximum aggregate Limit of Insurance for any Additional Coverage in any one "coverage term" is three times the Limit of Insurance stated here.

Deductibles:**Deductible:****Coverage A:**

Basic: \$ 500

Specified Losses: \$ 1,000

Coverage B:

(Hours) 24

FORMS AND / OR ENDORSEMENTS APPLICABLE TO ELECTRONIC DATA PROCESSING**COVERAGE FORM:**MA123 08/07 ELECTRONIC DATA PROCESSING EQUIPMENT COVERAGE FORM (EDP) -
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ELECTRONIC DATA PROCESSING EQUIPMENT COVERAGE FORM

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

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

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

Section I - Coverages

Coverage A - Electronic Data Processing Property

1. Insuring Agreement

We will pay for "loss" to Covered Property resulting from a Covered Cause of Loss.

2. Covered Property

Covered Property, as used in Coverage A of this Coverage Part, means the following type of property:

- a. Your "hardware";
- b. Climate control equipment, and other electrical equipment, used exclusively with your "hardware";
- c. Your "electronic media and records";
- d. Your "telecommunications equipment";
- e. Your programming documentation and instruction manuals; and
- f. Similar property of others in your care, custody or control,

While located:

- a. On your "premises" or within one thousand (1,000) feet thereof (except as may be provided in the **Section I - Coverages, Coverage A - Electronic Data Processing Property, 5. Coverage Extensions**); and
- b. In the "coverage territory" (except as may be provided in the **Section I - Coverages, Coverage A - Electronic Data Processing Property, 5. Coverage Extensions**).

3. Property Not Covered

Covered Property does not include:

- a. "Electronic media and records" that cannot be replaced with similar property of like kind and quality.
- b. Property that you have rented or leased to another person or organization and is not at your "premises".
- c. Contraband or property in the course of illegal transit or trade.
- d. "Production equipment".
- e. Copyrights, patents, trademarks, trade secrets or other intellectual property.
- f. Personally identifiable information of persons or entities other than you or your employees.
- g. Property held as samples or for sale.
- h. Records of accounts receivable.
- i. Any machine or apparatus that is used for research, medical, diagnostic, surgical, dental or pathological purposes.
- j. "Electronic securities", "evidences of debt", "money" and "securities".
- k. "Valuable papers and records".

4. Covered Causes of Loss

Covered Causes of Loss, with respect to Coverage A, means risks of direct "loss" to Covered Property except those causes of "loss" listed in **Section II - Exclusions**.

5. Coverage Extensions

Unless stated otherwise, the Limits of Insurance referenced in the following Coverage Extensions are in addition to, and not included within, **Section III - Limits of Insurance and Deductibles, 1. Limits of Insurance** for Coverage A.

a. Debris Removal

- (1) We will pay your expense to remove the debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within one hundred-eighty (180) days of the date of direct "loss".

- (2) The most we will pay under this Coverage Extension is twenty-five (25) percent (%) of:

- (a) The amount we pay for the direct "loss" to Covered Property; plus
- (b) The deductible in this Coverage Part applicable to that "loss".

This Coverage Extension is included within the Limit of Insurance shown in the Declarations for Coverage **A**. However, if:

- (a) The sum of direct "loss" and debris removal expense exceeds the Limit of Insurance for Coverage **A**; or
- (b) The debris removal expense exceeds the amount payable under the twenty-five (25) percent (%) limitation in this Coverage Extension;

we will pay up to the additional Limit of Insurance for Debris Removal stated in the Declarations for each "premises" in any one "occurrence".

- (3) This Coverage Extension does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

b. Duplicate and Backup Electronic Media and Records

We will pay up to the Limit of Insurance for Duplicate and Backup Electronic Media and Records stated in the Declarations in any one "occurrence" for "loss" to "electronic media and records" due to a Covered Cause of Loss while such property is stored away from your "premises" other than "temporarily".

This Coverage Extension does not apply to "loss" insured under the Third Party Host Coverage Extension.

c. Off Premises

We will pay up to the Limit of Insurance for Off Premises stated in the Declarations in any one "occurrence" for "loss" to Covered Property due to a Covered Cause of Loss while such property is away from your "premises":

- (1) "Temporarily" in transit;

- (2) "Temporarily" in storage; or
- (3) In the custody of your employee for the purpose of conducting your business.

This is not an additional Limit of Insurance. It is included within the Coverage **A** Limit of Insurance.

This Coverage Extension applies to Covered Property whether or not it is located within the "coverage territory".

If the Limit of Insurance stated in the Declarations is other than the \$50,000 maximum stated, then the Limit of Insurance that applies to all "loss" in any one "occurrence" is the greater of the limit stated or the twenty percent (20%) of the Coverage **A** Limit of Insurance limitation.

d. Pollutant Clean Up and Removal

- (1) We will pay your expenses to extract "pollutants" from land or water at the "premises" if the discharge, dispersal, seepage, migration, release, escape or emission of the "pollutants":

- (a) Is from Covered Property;
- (b) Is caused by a Covered Cause of Loss; and
- (c) Occurs during the policy period.

The expenses will be paid only if they are reported to us in writing within one hundred eighty (180) days of the date on which the Covered Cause of Loss occurs.

- (2) This Coverage Extension 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.
- (3) The most we will pay under this Coverage Extension for each "premises" for the sum of all covered expenses arising out of Covered Causes of Loss during each "coverage term" is the Limit of Insurance stated in the Declarations for Pollutant Clean Up and Removal.

e. Preservation of Property

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

- (1) While it is being moved or while "temporarily" stored at a location other than a "premises"; and
- (2) Only if the "loss" occurs within thirty (30) days after the property is first moved.

This Coverage Extension is included within the Limit of Insurance shown in the Declarations for Coverage **A**.

f. Recharge or Refill of a Fire Protection Device

We will pay for your expense to recharge or refill any fire protective devices that are designed specifically to protect Covered Property when these devices have been discharged in a "loss" insured by Coverage **A** of this Coverage Part or have been accidentally discharged. The most we will pay in any one "loss" or "sudden and accidental" discharge is the Limit of Insurance for Recharge or Refill of a Fire Protection Device stated in the Declarations.

g. Third Party Host

We will pay up to the Limit of Insurance for Third Party Host stated in the Declarations in any one "occurrence" for "loss" to:

Your "electronic media and records" away from your "premises" due to a Covered Cause of Loss, but only while such "electronic media and records" are hosted in the "hardware" of a third party information technology provider, with whom you have directly contracted for such service.

This is not an additional Limit of Insurance. It is included within the Coverage **A** Limit of Insurance.

This Coverage Extension:

- (1) Applies to "electronic media and records" whether or not they are located within the "coverage territory"; and
- (2) Does not apply to "loss" insured under the Duplicate and Backup Electronic Media and Records Coverage Extension.

h. Newly Acquired Property

We will provide coverage as follows:

- (1) On newly acquired Covered Property up to the total limit shown on the Declarations Page for Total Covered Property whether located at a current location or newly acquired location,

but in no event shall we pay more than \$250,000 under this Coverage Extension for any one "loss".

You will report such newly acquired property, or Covered Property already insured by this policy which is moved to a newly acquired location, to us within 90 days from the date the Covered Property is acquired or moved, as the case may be, and pay any additional premium due. If you do not report such property or movement of property, coverage will cease automatically after the 90 days has elapsed. However, in no event shall coverage be extended beyond the expiration of this policy.

Coverage B - Business Income and Extra Expense

1. Insuring Agreement

We will pay your actual loss of "business income" as well as "extra expense" that results from the necessary "suspension" of your "operations" during the "period of restoration" due to "loss" to Covered Property resulting from a Covered Cause of Loss.

2. Covered Property

Covered Property, as used in Coverage **B** of this Coverage Part, is the same as that applicable to Coverage **A**.

3. Property Not Covered

Covered Property does not include Property Not Covered under Coverage **A**.

4. Covered Causes of Loss

Covered Causes of Loss, with respect to Coverage **B**, means risks of direct "loss" to Covered Property except those causes of "loss" listed in **Section II - Exclusions**.

5. Additional Coverage

This Additional Coverage does not provide additional Limits of Insurance.

Extended Business Income

If the necessary "suspension" of your "operations" produces a "business income" loss payable under this Coverage Part, we will pay for the actual loss of "business income" you incur during the period that:

- a. Begins on the date Covered Property is actually repaired, rebuilt or replaced and "operations" are resumed; and
- b. Ends on the earlier of:

- (1) The date you could restore your "operations", with reasonable speed, to the level which would generate the "business income" that would have existed if no direct "loss" to Covered Property due to a Covered Cause of Loss had occurred; or
- (2) Sixty (60) consecutive days after the date determined in **5.a.** above.

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

Coverage C - Additional Coverages

The Limits of Insurance provided in the following Additional Coverages are included within and are not in addition to the Limits of Insurance applicable to Coverages **A** or **B**, unless stated otherwise therein.

1. Denial of Service

We will pay up to the Limit of Insurance stated in the Declarations for Denial of Service for loss of "business income" or "extra expense" under Coverage **B** caused by a "denial of service".

2. Loss Establishment Expenses

Subsequent to the detection of a potential "loss" insured under Coverage **A** or **B**, we will pay up to the Limit of Insurance stated in the Declarations for "loss establishment expenses" incurred within ninety (90) days of the detection of the "loss" or potential "loss".

This Limit of Insurance is in addition to the Limits of Insurance for Coverages **A** and **B**.

3. Malicious Code

We will pay up to the Limit of Insurance stated in the Declarations for Malicious Code for all "loss", loss of "business income" or "extra expense" under Coverages **A** and **B** arising from the introduction of a "malicious code" to your "electronic media and records" or "hardware" by any person or organization other than:

- (1) You;
- (2) Your partners;
- (3) Your directors;
- (4) Your officers;
- (5) Your trustees;

- (6) Your members, if you are a limited liability company; or
- (7) A person or organization, other than your employees, to whom you have entrusted Covered Property.

4. Unauthorized Use

We will pay up to the Limit of Insurance stated in the Declarations for Unauthorized Use for all "loss", loss of "business income" or "extra expense" under Coverages **A** and **B** arising from "unauthorized use" by any person or organization other than:

- (1) You;
- (2) Your partners;
- (3) Your directors;
- (4) Your officers;
- (5) Your trustees;
- (6) Your members, if you are a limited liability company; or
- (7) A person or organization, other than your employees, to whom you have entrusted Covered Property.

Section II - Exclusions

Coverage A - Electronic Data Processing Property and Coverage B - Business Income and Extra Expense - Exclusions

The following exclusions apply to Coverages **A** and **B**, unless stated otherwise herein:

1. We will not pay for a "loss", loss of "business income" or "extra expense" caused directly or indirectly by any of the following. Such "loss", loss of "business income" or "extra expense" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss", loss of "business income" or "extra expense":

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Part.

b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or

- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause.
- c. Satellite Communications**
- The disruption or failure of any satellite communication system, or any part thereof.
- d. 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.
- e. Utility Interruption**
- The intentional suspension of any utility service by you or the utility provider.
- f. Tidal Wave or Tsunami**
- Tidal wave or tsunami, even if attributable to an earthquake or volcanic eruption.
2. We will not pay for "loss", loss of "business income" or "extra expense" caused by or resulting from any of the following:
- a.** Delay or loss of market, except as may be provided under Coverage B.
- b.** Dishonest or criminal acts by you, any of your partners, directors, trustees, officers, members or managers (if you are a limited liability company) or anyone entrusted with the property, except employees, whether or not acting alone or in collusion with others or whether or not occurring during the hours of employment. But this exclusion does not apply to a carrier for hire.
- c.** Discharge, dispersal, seepage, migration, release, escape or emission of "pollutants" unless the discharge, dispersal, seepage, migration, release, escape or emission is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release, escape or emission of "pollutants" results in a "specified cause of loss", we will pay for the "loss" caused by that "specified cause of loss".
- d.** Interruption, disruption, or slow down in normal network service or function due to activity on the network or network server.
- This exclusion does not apply to "denial of service".
- e.** Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- f.** Unauthorized instructions to transfer property to any person or to any place.
- g.** Bookkeeping, accounting or billing errors or omissions.
- h.** Any processing or work upon Covered Property. But if "loss" by fire results, we will pay for that resulting "loss", loss of "business income" or "extra expense".
- i.** "Denial of service", "malicious code" or "unauthorized use".
- However, this exclusion shall not apply to the extent that insurance coverage is provided under **Section I - Coverages, Coverage C - Additional Coverages**.
3. We will not pay for a "loss", loss of "business income" or "extra expense" caused by or resulting from any of the following. But if "loss", loss of "business income" or "extra expense" caused by a Covered Cause of Loss results, we will pay for that resulting "loss", loss of "business income" or "extra expense":
- a.** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- b.** Wear and tear, hidden or latent defect, gradual deterioration, or depreciation.
- c.** The failure of "hardware" or "electronic media and records" to function as designed or anticipated to function by you or any other person or organization providing, designing or recommending said "hardware" or "electronic media and records" to you.
- However, this exclusion will not apply if the failure of "hardware" or "electronic media and records" to function is caused by:
- (1) A Covered Cause of Loss emanating from a source external to the "hardware" or "electronic media and records"; or
- (2) The "sudden and accidental" "mechanical breakdown" of "hardware".

4. Insurance provided by Coverages **A** and **B** does not apply to:

a. Payment of costs, fees, or other expenses you incur in establishing either the existence or the amount of "loss", loss of "business income" or "extra expense", except as provided for under **Section I - Coverages, Coverage C - Additional Coverages, 2. Loss Establishment Expenses**.

b. "Loss", loss of "business income" or "extra expense", or any part thereof, the proof of which as to its existence or amount is dependent solely upon:

- (1) An inventory computation;
- (2) A profit and loss computation; or
- (3) An audit of records.

5. Insurance provided by Coverage **A** does not apply to loss of "business income" or "extra expense".

Section III - Limits of Insurance and Deductibles

1. Limits of Insurance

a. The most we will pay for any one "occurrence" is the applicable Limits of Insurance for Coverages **A** and **B** and **Coverage C - Additional Coverages, 2. Loss Establishment Expenses** stated in the Declarations or any endorsement amendatory thereof.

b. With respect to **Section I - Coverages, Coverage C - Additional Coverages**:

(1) Under **Coverage C - Additional Coverages, 2. Loss Establishment Expenses**, we will not pay more than the lesser of:

- (a) The Limit of Insurance stated in the Declarations for Loss Establishment Expenses; or
- (b) The actual cost of the "loss" insured under Coverages **A** or **B** in "Loss establishment expenses".

(2) In the event that a single "occurrence" involves one or more of the following:

- (a) "Denial of service";
- (b) "Malicious code"; or
- (c) "Unauthorized use",

the most we will pay in total is the single highest Limit of Insurance ap-

plicable to the Additional Coverages applicable to the "loss".

(3) The most we will pay for all "loss" in any "coverage term" for each Additional Coverage is three times the Limit of Insurance stated for each in the Declarations.

2. Deductibles

a. Coverage A

We will not pay for "loss" in any one "occurrence" until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible shown in the Deductible section of the Declarations for Coverage **A**. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

(1) The Basic Deductible shown on the Declarations applies to "loss" from all Covered Causes of Loss except those referenced in (2) below.

(2) The Specified Losses Deductible shown on the Declarations applies to "loss" caused by "sudden and accidental" "mechanical breakdown" or artificially generated electrical disturbance.

b. Coverage B

We will not pay your actual loss of "business income" or "extra expense" arising from any one "loss" until and unless the necessary "suspension" of your "operations" has exceeded the Deductible in hours stated in the Declarations for Coverage **B**. We will then pay the amount of your actual loss of "business income" or "extra expense" in excess of the Deductible, up to the Limit of Insurance.

c. Coverage C

We will not pay for "loss", loss of "business income", "extra expenses" or "loss establishment expenses" under **Section I - Coverages, Coverage C - Additional Coverages** unless and until an insured "loss", loss of "business income" or "extra expenses" under Coverage **A** or **B** exceeds their deductible.

Section IV - Additional Conditions

The following Conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. Coverage A - Electronic Data Processing Property - Conditions

The following Condition applies to Coverage **A** only:

Valuation

In the **COMMERCIAL INLAND MARINE CONDITIONS, GENERAL CONDITIONS, F. Valuation** is replaced by the following with respect to Covered Property under Coverage **A**:

- a.** Valuation of Covered Property under Coverage **A**, other than that described in Paragraph **b.** below:

If you repair or replace this property with due diligence following "loss", the property will be valued at the full cost of repair or replacement. However, the most we will pay is the least of the following:

- (1) The cost of replacing that property with property of similar or greater quality and function, provided the cost is no greater than the original purchase price of the property plus twenty (20) percent (%);
- (2) The amount you actually and necessarily spend to repair or replace the property; or
- (3) The Limit of Insurance applicable to the property.

If you do not repair or replace this property with due diligence following "loss", the most we will pay will be the least of the following:

- (a) The "actual cash value" of the property;
- (b) The "actual cash value" of repairs with material of like kind and quality; or
- (c) The Limit of Insurance applicable to the property.

We reserve the right to repair or replace the property or to pay for the property in "money".

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

- b.** Valuation of "electronic media and records":
- (1) We will not pay for more than the actual reproduction costs of covered "electronic media and records".
 - (2) But we will not pay the cost to duplicate research or operations that were developed away from your "premises" that led to the develop-

ment of your "electronic media and records" or that led to the development of any proprietary or confidential information or intellectual property.

- (3) If you do not replace or reproduce the "electronic media and records", the most we will pay is the cost of blank "electronic media and records".

The most we will pay is the Limit of Insurance shown on the Declarations.

2. Coverage B - Business Income and Extra Expense - Conditions

The following Conditions apply to Coverage **B** only:

a. Appraisal

In the **COMMERCIAL INLAND MARINE CONDITIONS, LOSS CONDITIONS, B. Appraisal** is replaced by the following:

If you and we disagree on the amount of Net Income and operating expense or the amount of loss, either may make a 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 a judge of a court having jurisdiction make selection. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each will:

- (1) Pay its chosen appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

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

b. Loss Determination

- (1) The amount of "business income" loss will be determined based on:
 - (a) The Net Income of the business before the Covered Cause of Loss occurred;
 - (b) The likely Net Income of the business if no Covered Cause of Loss had occurred, but not including any Net Income that likely would have resulted from 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;

(c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the Covered Cause of Loss; and

(d) Other relevant sources of information, including:

- 1) Your financial records and accounting procedures;
- 2) Bills, invoices and other vouchers; and
- 3) Deeds, liens or contracts.

(2) The amount of "extra expense" will be determined based on:

(a) All necessary and reasonable expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no Covered Cause of Loss had occurred. We will deduct from the total of such expenses:

- 1) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
- 2) Any "extra expense" that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(b) All necessary and reasonable expenses that reduce the "business income" loss that otherwise would have been incurred.

c. Resumption of Operations

(1) 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 "premises" or elsewhere.

(b) "Extra expense" loss to the extent you can return "operations" to normal and discontinue such "extra expense".

(2) 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 should have taken with due diligence to resume operations as quickly as possible.

3. Common Conditions

The following Conditions apply to all Coverages provided under this Coverage Part:

a. Duties in the Event of Loss

In the **COMMERCIAL INLAND MARINE CONDITIONS, LOSS CONDITIONS, C. Duties in the Event of Loss** is replaced by the following:

(1) In the event of:

- (a) "Loss" to Covered Property; or
- (b) Loss of, or loss from damage to Covered Property, or a situation that may result in loss of, or loss from damage to Covered Property,

You must see that the following are done:

- 1) Notify the police if a law may have been broken.
- 2) Notify us as soon as possible. Include a description of any property involved.
- 3) As soon as possible, give us a description of how, when and where the loss 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. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside in the best possible order for examination.

- 5) As often as may be reasonably required, permit us to:
 - a) Inspect the property proving the loss;
 - b) Examine your books, records, "electronic media and records" and "hardware";
 - c) Take samples of damaged and undamaged property for inspection, testing and analysis; and
 - d) Make copies from your books, records, "electronic media and records" and "hardware".
 - 6) Send us signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - 7) Cooperate with us in the investigation or settlement of the claim.
 - 8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
 - 9) Make no statement that will assume any obligation or admit any liability, for any loss for which we may be liable, without our prior written consent.
 - 10) Promptly send us any legal papers or notices received concerning the loss.
- (2) 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.

b. Blanket Insurance

If blanket insurance is indicated (☒) in the Declarations, the Limit of Insurance for that Coverage applies to all "premises" within the "coverage territory".

c. Joint Insured

- (1) If more than one Insured is named in the Declarations, the first Named In-

sured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered under this policy, then the next Named Insured will become the first Named Insured.

- (2) If any Insured or partner, officer, or member or manager (applicable to limited liability companies) of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- (3) An employee of any Insured is considered to be an employee of every Insured.
- (4) If this insurance or any of its coverages is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

d. Legal Action Against Us

In the **COMMERCIAL INLAND MARINE CONDITIONS, GENERAL CONDITIONS, B. Legal Action Against Us** is replaced by the following:

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

- (1) There has been full compliance with all the terms of this Coverage Part;
- (2) At least ninety (90) days has passed since you filed proof of loss with us; and
- (3) Brought within two (2) years from the date you discover the loss in question.

e. Loss Payee

For Covered Property in which both you and a Loss Payee listed in the Declarations have an insurable interest, we will:

- (1) Adjust "losses" with you; and
- (2) Pay any claim for insured "loss" jointly to you and the Loss Payee, as interests may appear.

f. Multi-Year Policies

If this Coverage Part is issued for more than one annual policy period, the premium may be adjusted at the inception of each following "coverage term" based on our rates in effect at that time.

g. Non-Accumulation of Limits of Insurance

Regardless of the number of "coverage terms" this insurance remains in force or the number of premiums paid, no Limit of Insurance accumulates from year to year or period to period.

h. Other Insurance

In the **COMMERCIAL INLAND MARINE CONDITIONS, LOSS CONDITIONS, F. Other Insurance** is replaced by the following:

- (1) If you have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
- (2) If there is other insurance covering the same loss or damage, other than that described in (1) above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
- (3) Irrespective of Paragraphs h.(1) or (2) above, this Coverage Part is always excess of a "service agreement". We will pay only the amount of insured "loss" that is not covered by the "service agreement" in the form of repairs or other compensation. But we will not pay more than the applicable Limit of Insurance.

i. Protective Safeguards

You must maintain the protective safeguards stated by you to be in effect at a "premises" when this coverage began.

If you fail to keep the protective safeguards:

- 1) In working condition at a "premises"; and
- 2) In operation when you are closed to business;

Coverage for which the protective safeguards apply is automatically suspended at that "premises" if you fail to notify us immediately. This suspension will last until the equipment or services are back in operation.

j. Recoveries

In the **COMMERCIAL INLAND MARINE CONDITIONS, LOSS CONDITIONS, I. Recoveries** is replaced by the following:

- (1) Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
 - (a) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance plus the Deductible Amount, if any;
 - (b) Then to us, until we are reimbursed for the settlement made;
 - (c) Then to you, until you are reimbursed for that part of loss equal to the Deductible Amount, if any.
- (2) You will pay us the amount of all recoveries you receive for a "loss" paid by us. But any recoveries in excess of the amount we have paid belong to you.
- (3) Recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for our benefit.

k. Transfer of Your Rights of Recovery Against Others to Us

In the **COMMERCIAL INLAND MARINE CONDITIONS, LOSS CONDITIONS, K. Transfer of Rights of Recovery Against Others to Us** is replaced by the following:

You must transfer to us all of your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

Section V - Definitions

The following terms, when appearing in quotation marks, have the following meanings wherever used in this Coverage Part:

1. "Actual cash value" means replacement cost less a deduction that reflects depreciation, age, condition and obsolescence.

2. "Business income" means the:
 - a. Net Income (net profit or loss before income taxes) that would have been earned or incurred; and
 - b. Continuing normal operating expenses incurred, including payroll.
3. "Computer system" means a configuration of "hardware" and "electronic media and records", including "telecommunications equipment" which may be integrated into or connected to such "hardware", purposely designed to perform a particular function or functions.
4. "Coverage term" means the following individual increment, or if a multi-year policy period, increments, of time, which comprise the policy period of this Coverage Part:
 - a. The year commencing on the Effective Date of this Coverage Part at 12:01 AM standard time at your mailing address shown in the Declarations, and if a multi-year policy period, each consecutive annual period thereafter, or portion thereof if any period is for a period of less than 12 months, constitute individual "coverage terms". The last "coverage term" ends at 12:00 AM standard time at your mailing address shown in the Declarations on the earlier of:
 - (1) The day the policy period shown in the Declarations ends; or
 - (2) The day the policy to which this Coverage Part is attached is terminated or cancelled.
 - b. However, if after the issuance of this Coverage Part, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".
5. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.
6. "Denial of service" means the malicious and intentional inundating of your "computer system" with messages, instructions, queries or requests that deplete resources enough to restrict, limit or prevent access for the purposes of nuisance, sabotage or malicious tampering which has the effect of:
 - a. Depleting system resources available through the Internet to authorized external users of your "computer system"; and
 - b. Impeding Internet access of authorized external users to your "computer system".
7. "Electronic media and records" means information, facts, instructions, concepts and programs converted and stored in a form usable in "hardware". It also includes the materials, such as magnetic tapes, disc packs, paper tapes and cards, floppy discs and compact discs, upon which such information, facts, instructions, concepts and programs are recorded and stored.
8. "Electronic securities" means any share, participation, or other interest in property of, or an enterprise of, the issuer or an obligation of the issuer which:
 - a. Is a type commonly dealt in upon securities exchanges or markets;
 - b. Is either one of a class or series or by its terms divisible into a class or series of shares, participations, interests, or obligations; and
 - (1) Is not represented by an instrument;
 - (2) Is part of a master or global certificate; or
 - (3) Represents a paper certificate that has been surrendered by a financial institution and which paper certificate has been combined into a master depository note and the paper certificates are immobilized and such security is shown as an electronic entry on the account of the transferor, pledgor, or pledgee on the books of a Central Depository.
9. "Evidences of debt" means instruments executed by your customer and held by you which in the regular course of business are treated as evidencing the customer's debt to you, including records of charges and accounts receivable.
10. "Extra expense" means the necessary and reasonable expenses you incur during the "period of restoration" that you would not have incurred if there had been no "loss" due to a Covered Cause of Loss to Covered Property.
11. "Hardware" means an assemblage of electronic machine components capable of accepting and processing "electronic media and records" for the purpose of producing desired results.

However, "hardware" does not include "telecommunications equipment".
12. "Loss" means:

- a. "Sudden and accidental" physical loss or physical damage; and
 - b. With respect only to "denial of service", "malicious code" or "unauthorized use", also includes "sudden and accidental" damage, loss of use, loss of access or loss of functionality.
13. "Loss establishment expenses" means actual and necessary expenses incurred at our request to assist you in establishing either the existence or the amount of loss insured under this Coverage Part.
14. "Malicious code" means a computer code created for the purpose of destroying, corrupting or otherwise adversely affecting a "computer system".
15. "Mechanical breakdown" means the malfunction or failure of moving or electronic parts, component failure, faulty installation or blow-out.
16. "Money" means:
- a. Currency, coins, and bank notes in current use and having a face value;
 - b. Travelers checks, registered checks, and money orders held for sale to the public; and
 - c. Electronic cash equivalents.
17. "Occurrence" means an act or event or a series of related acts or events that result in a Covered Cause of Loss.
18. "Operations" means your business activities occurring at the "premises".
19. "Other property" means any tangible property of value other than "money", "securities", "electronic securities", or "electronic media and records".
- However, "other property" does not include copyrights, patents, trademarks, trade secrets or other intellectual property.
20. "Period of restoration" means that period of time that:
- a. Begins with the end of the time deductible for Coverage B referenced in the Declarations. Such deductible commences on the date and time of direct "loss" to Covered Property due to a Covered Cause of Loss; and
 - b. Ends on the earlier of:
 - (1) The date you could restore your "operations", with reasonable speed, to the condition that would have existed if no direct "loss" to Covered Property due to a Covered Cause of Loss had occurred; or
 - (2) As long as it would reasonably take to repair, rebuild or replace the damaged Covered Property.
21. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property, or the environment regardless of whether injury or damage is caused directly or indirectly by the "pollutants" and whether:
- a. You are regularly or otherwise engaged in activities which taint or degrade the environment; or
 - b. You use, generate or produce the "pollutant".
22. "Premises" means any building you lease, rent or own and while you occupy it in conducting your business.
23. "Production equipment" means any machinery and related components, including any integrated or dedicated "computer system", which is used, or can be used, to produce or process other tangible property.
24. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or "other property" and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. "Evidences of debt" issued in connection with credit or charge cards not issued by you.
25. "Service agreement" means a service plan or warranty, or other similar service or warranty agreement, even if it is characterized as insurance.
26. "Specified causes of loss" means: 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 and accidental" 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 manmade underground cavities.
- b. Falling objects does not include "loss" to:
- (1) Covered 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 "sudden and 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.
27. "Sudden and accidental" means abrupt, immediate and brief as well as unintended and unexpected and without prior notice.
28. "Suspension" means the complete or partial cessation of your business activities.
29. "Telecommunications equipment" means telephones, including any related switching systems or similar equipment, fax machines and other similar equipment used to transmit voice or "electronic media and records" communications over telephone lines, data lines or air waves.
- However, "telecommunications equipment" does not include "hardware".
30. "Temporarily" means:
- a. Not permanently; and
 - b. For a period of 30 consecutive days or less.
31. "Unauthorized use" means:
- a. Illegal or malicious entry into your "computer system" by a person not authorized to do so by you which results in the distortion or corruption of such "computer system"; or
 - b. Entry into or use of your "computer system" by a party:
 - (1) Not authorized by you to do so; or
 - (2) Authorized by you to do so, but who does so to use it in an unauthorized manner,

Which results in the distortion or corruption of your "computer system".
32. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OFFICE OF FOREIGN ASSETS CONTROL (OFAC) COMPLIANCE ENDORSEMENT

This endorsement modifies insurance provided under the following:

ELECTRONIC DATA PROCESSING EQUIPMENT COVERAGE PART

Section IV - Additional Conditions, 3. Common Conditions is amended to include the following:

Office of Foreign Assets Control (OFAC) Compliance

Whenever insurance coverage provided by this policy would be in violation of any United States economic or trade sanctions, such insurance coverage shall be null and void.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

- A.** The Conditions of this Coverage Part that are in conflict with the statutes of the State of Michigan are amended to conform to such statutes.
- B.** Commercial Inland Marine Loss Condition **F. OTHER INSURANCE** is replaced by the following:
 - F. OTHER INSURANCE**
You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered "loss" or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
- C.** Commercial Inland Marine General Condition **A CONCEALMENT, MISREPRESENTATION OR FRAUD** is replaced by the following:
 - A. CONCEALMENT, MISREPRESENTATION OR FRAUD**
This coverage part is void in any case of fraud, intentional concealment or misrepresentation of a material fact by you concerning:
 - 1.** This Coverage Part;
 - 2.** The Covered Property;
 - 3.** Your interest in the Coverage Property; or
 - 4.** A claim under this Coverage Part.
 - D.** Wherever it appears, the phrase minimum annual premium is replaced by the phrase minimum written premium.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**COMMERCIAL INLAND MARINE CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS**A. Abandonment**

There can be no abandonment of any property to us.

B. Appraisal

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

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

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

C. Duties in the Event of Loss

You must see that the following are done in the event of "loss" to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the "loss". Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the "loss" occurred.
4. Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent "loss" 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. Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our consent.
6. Permit us to inspect the property and records proving "loss".

7. If requested, permit us to question you under oath, at such times as may be reasonably required, about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.

8. Send us a signed, sworn statement of "loss" containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

9. Promptly send us any legal papers or notices received concerning the "loss".

10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two or More Coverages

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

E. Loss Payment

We will pay or make good any "loss" covered under this Coverage Part within 30 days after:

1. We reach agreement with you;
2. The entry of final judgment; or
3. The filing of an appraisal award.

We will not be liable for any part of a "loss" that has been paid or made good by others.

F. Other Insurance

If you have other insurance covering the same "loss" as the insurance under this Coverage Part, we will pay only the excess over what you should have received from the other insurance. We will pay the excess whether you can collect on the other insurance or not.

G. Pair, Sets or Parts

1. Pair or Set

In case of "loss" to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the "loss"; or
- b. Pay the difference between the value of the pair or set before and after the "loss".

2. Parts

In case of "loss" to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Privilege to Adjust with Owner

In the event of "loss" involving property of others in your care, custody or control, we have the right to:

1. Settle the "loss" with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.
2. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limit of Insurance under this insurance.

I. Recoveries

Any recovery or salvage on a "loss" will accrue entirely to our benefit until the sum paid by us has been made up.

J. Reinstatement of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total "loss" of a scheduled item, in which event we will refund the unearned premium on that item.

K. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this insurance 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.

GENERAL CONDITIONS**A. Concealment, Misrepresentation or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;

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

B. Legal Action Against Us

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

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the "loss".

C. Liberalization

If, within 45 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

D. No Benefit to Bailee

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

E. Policy Period

We cover "loss" commencing during the policy period shown in the Declarations.

F. Valuation

The value of property will be the least of the following amounts:

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULED PREMISES ENDORSEMENT

This endorsement modifies insurance provided under the following:

ELECTRONIC DATA PROCESSING EQUIPMENT COVERAGE PART

I. Schedule:

Location Number	Coverage A Limit of Insurance	Coverage B Limit of Insurance
1 - 1	25,000	10,000

Blanket Insurance:

Location Number	Coverage A Limit of Insurance	Coverage B Limit of Insurance
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Newly Acquired Property

Limit of Insurance: \$250,000 - Unless Otherwise Stated

II. Section I - Coverages is amended as follows:

Section I - Coverages, Coverage A - Electronic Data Processing Property, Paragraph 5. Coverage Extensions is amended to include the following:

NEWLY ACQUIRED PROPERTY

- (1) We will pay up to the Limit of Insurance for Newly Acquired Property stated in the Schedule of this endorsement in any one "occurrence" for "loss" to "newly acquired" Covered Property due to a Covered Cause of Loss:
 - (a) In excess of the Limit of Insurance for Coverage A applicable to the "premises" stated in the Schedule of this endorsement; or
 - (b) At a location you lease, rent or own in the "coverage territory" and while you occupy it in conducting your business, but which has not yet been reported to us as a "premises".
- (2) You will report such "newly acquired" Covered Property to us within ninety (90) days of its acquisition and pay any additional premium due. Insurance coverage under this Coverage Extension ceases at the earlier of:
 - (a) Ninety (90) days elapsing from the date of acquisition; or
 - (b) The expiration of the policy period.

III. Section IV - Additional Conditions is amended as follows:

3. **Common Conditions, b. Blanket Insurance** is hereby deleted and replaced by the following:

b. Blanket Insurance

If blanket insurance is indicated by (☒) in the Schedule of the Scheduled Premises Endorsement, the Limit of Insurance for each Coverage applies to all "premises" listed in the endorsement.

IV. Section V - Definitions is amended as follows:

A. Definition 22. "Premises" is hereby deleted and replaced by the following:

22. "Premises" means any building located at an address referenced in the Schedule of the Scheduled Premises Endorsement you lease, rent or own and while you occupy it in conducting your business.

B. The following definition is added:

"Newly acquired" means:

a. First acquired; or

b. First moved to a new location within the "coverage territory" not yet reported to us as a "premises",

since the inception of the current "coverage term".

COMMERCIAL CRIME COVERAGE FORM (DISCOVERY FORM)

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

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

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

A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place at any time which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period to Discover Loss Condition **E.1.g.:**

1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

2. Forgery or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

b. If you are sued for refusing to pay any instrument covered in Paragraph **2.a.**, on the basis that it has been

forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

3. Inside The Premises - Theft of Money and Securities

a. We will pay for loss of "money" and "securities" inside the "premises" or "banking premises":

(1) Resulting directly from "theft" committed by a person present inside such "premises" or "banking premises"; or

(2) Resulting directly from disappearance or destruction.

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

c. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

4. Inside the Premises - Robbery or Safe Burglary of Other Property

a. We will pay for loss of or damage to "other property":

(1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or

(2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.

- c. We will pay for loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

5. Outside the Premises

- a. We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- b. We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

6. Computer Fraud

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises":

- a. To a person (other than a "messenger") outside those "premises"; or
- b. To a place outside those "premises".

7. Funds Transfer Fraud

We will pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

8. 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:

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

B. Limit of Insurance

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or Coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any

one of those Insuring Agreements or Coverages.

C. Deductible

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

D. Exclusions

1. This insurance does not cover:

a. Acts Committed by You, Your Partners or Your Members

Loss resulting from "theft" or any other dishonest act committed by:

- (1) You; or
- (2) Any of your partners or "members";

whether acting alone or in collusion with other persons.

b. Acts of Employees Learned of by You Prior to the Policy Period

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the Policy Period shown in the Declarations.

c. Acts Of Employees, Managers, Directors, Trustees or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise;

except when covered under Insuring Agreement A.1.

d. Confidential Information

Loss resulting from:

- (1) The unauthorized disclosure of your confidential information including, but not limited to, pat-

ents, trade secrets, processing methods or customer lists; or

- (2) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

e. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

f. Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

g. Legal Fees, Costs and Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement **A.2**.

h. Nuclear Hazard

Loss or damage resulting from nuclear reaction or radiation or radioactive contamination, however caused.

i. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of 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.

j. War and Military Action

Loss or damage resulting from:

- (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.

2. Insuring Agreement **A.1 does not cover:**

a. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

b. Trading

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

c. Warehouse Receipts

Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.

3. Insuring Agreements **A.3., **A.4**. and **A.5**. do not cover:**

a. Accounting or Arithmetical Errors or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

b. Exchanges or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

c. Fire

Loss or damage resulting from fire, however caused, except:

- (1) Loss of or damage to "money" and "securities"; and
- (2) Loss from damage to a safe or vault.

d. Money Operated Devices

Loss 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.

e. Motor Vehicles or Equipment and Accessories

Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

f. Transfer or Surrender of Property

- (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":
 - (a) On the basis of unauthorized instructions;
 - (b) As a result of a threat to do bodily harm to any person;
 - (c) As a result of a threat to do damage to any property;
 - (d) As a result of a threat to introduce a denial of service attack into your computer system;
 - (e) As a result of a threat to introduce a virus or other malicious instruction into your computer system which is designed to damage, destroy or corrupt data or computer programs stored within your computer system;
 - (f) As a result of a threat to contaminate, pollute or render substandard your products or goods; or
 - (g) As a result of a threat to disseminate, divulge or utilize:
 - (i) Your confidential information; or

- (ii) Weaknesses in the source code within your computer system.

- (2) But, this Exclusion does not apply under Insuring Agreement **A.5.** to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

- (a) Had no knowledge of any threat at the time the conveyance began; or
- (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

g. Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

h. Voluntary Parting of Title to or Possession of Property

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

4. Insuring Agreement **A.6. does not cover:****a. Credit Card Transactions**

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

b. Funds Transfer Fraud

Loss resulting from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

c. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

5. Insuring Agreement **A.7.** does not cover:

COMPUTER FRAUD

Loss resulting from the use of a computer to fraudulently cause a transfer of "money", "securities" or "other property".

E. Conditions

The following Conditions apply in addition to the Common Policy Conditions:

1. Conditions Applicable to all Insuring Agreements

a. Additional Premises or Employees

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" and "employees" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" or "employees" need not be given and no additional premium need be paid for the remainder of the Policy Period shown in the Declarations.

b. Concealment, Misrepresentation or Fraud

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

- (1) This insurance;
- (2) The property covered under this insurance;
- (3) Your interest in the property covered under this insurance; or
- (4) A claim under this insurance.

c. Consolidation - Merger or Acquisition

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (1) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this insurance to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but

- (2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

d. Cooperation

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

e. Duties in the Event of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property" you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement **A.1.** or **A.2.**) involves a violation of law, you must also notify the local law enforcement authorities.
- (2) Submit to examination under oath at our request and give us a signed statement of your answers.
- (3) Produce for our examination all pertinent records.
- (4) Give us a detailed, sworn proof of loss within 120 days.
- (5) Cooperate with us in the investigation and settlement of any claim.

f. Employee Benefit Plans

- (1) The "employee benefit plans" shown in the Declarations (hereafter referred to as Plan) are included as Insureds under Insuring Agreement **A.1.**
- (2) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for Insuring Agree-

ment **A.1.** that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.

- (3) With respect to loss sustained or "discovered" by any such Plan, Insuring Agreement **A.1.** is replaced by the following:

We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

- (4) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
- (5) If two or more Plans are insured under this insurance, any payment we make for loss:

(a) Sustained by two or more Plans; or

(b) Of commingled "funds" or "other property" of two or more Plans;

resulting directly from an "occurrence" will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.

- (6) The Deductible Amount applicable to Insuring Agreement **A.1.** does not apply to loss sustained by any Plan.

g. Extended Period to Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you:

- (1) No later than 60 days from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insur-

ance provides coverage for loss sustained prior to its effective date.

- (2) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans".

h. Joint Insured

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.

- (2) If any Insured, or partner, "member" or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.

- (4) If this insurance or any of its coverages is cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you:

(a) No later than 60 days from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (b) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans".

- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.

- (6) Payment by us to the first Named Insured for loss sustained by any Insured, other than an "employee benefit plan", shall fully release us on account of such loss.

i. Legal Action Against Us

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within 2 years from the date you "discovered" the loss.

If any limitation in this Condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

j. Liberalization

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this insurance.

k. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

(1) Primary Insurance

When this insurance is written as primary insurance, and:

- (a) You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.
- (b) You have other insurance covering the same loss other than that described in Paragraph (1)(a), we will only pay for the amount of loss that exceeds:

- (i) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or

- (ii) The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

(2) Excess Insurance

- (a) When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.

- (b) However, if loss covered under this insurance is subject to a Deductible, we will reduce the Deductible Amount shown in the Declarations, by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

l. Ownership of Property; Interests Covered

The property covered under this insurance is limited to property:

- (1) That you own or lease; or
- (2) That you hold for others whether or not you are legally liable for the loss of such property.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

m. Policy Bridge - Discovery Replacing Loss Sustained

- (1) If this insurance replaces insurance that provided you with an extended period of time after cancellation in which to discover loss and which did not terminate

at the time this insurance became effective:

(a) We will not pay for any loss that occurred during the Policy Period of that prior insurance which is "discovered" by you during the extended period to "discover" loss, unless the amount of loss exceeds the Limit of Insurance and Deductible Amount of that prior insurance. In that case, we will pay for the excess loss subject to the terms and conditions of this policy.

(b) However, any payment we make for the excess loss will not be greater than the difference between the Limit of Insurance and Deductible Amount of that prior insurance and the Limit of Insurance shown in the Declarations. We will not apply the Deductible Amount shown in the Declarations to this excess loss.

(2) The Other Insurance Condition E.1.k. does not apply to this Condition.

n. Records

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

o. Recoveries

(1) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or you, shall be applied net of the expense of such recovery:

(a) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;

(b) Second, to us in satisfaction of amounts paid in settlement of your claim;

(c) Third, to you in satisfaction of any Deductible Amount; and

(d) Fourth, to you in satisfaction of any loss not covered under this insurance.

(2) Recoveries do not include any recovery:

(a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(b) Of original "securities" after duplicates of them have been issued.

p. Territory

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

q. Transfer of Your Rights of Recovery Against Others to Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

r. Valuation - Settlement

(1) The value of any loss for purposes of coverage under this policy shall be determined as follows:

(a) Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:

(i) At face value in the "money" issued by that country; or

(ii) In the United States of America dollar equivalent determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was "discovered".

(b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

- (i) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
 - (ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - i. Market value of the "securities" at the close of business on the day the loss was "discovered"; or
 - ii. The Limit of Insurance applicable to the "securities".
- (c) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
- (i) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;
 - (ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property; or
 - (iii) The Limit of Insurance applicable to the lost or damaged property.

With regard to Paragraphs r.(1)(c)(i) through r.(1)(c)(iii), we will not pay on a replacement cost basis for any loss or damage:

- i. Until the lost or damaged property is actually repaired or replaced; and
- ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

- (2) We will, at your option, settle loss or damage to property other than "money":

- (a) In the "money" of the country in which the loss or damage occurred; or
- (b) In the United States of America dollar equivalent of the "money" of the country in which the loss or damage occurred determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was "discovered".

- (3) Any property that we pay for or replace becomes our property.

2. Conditions Applicable to Insuring Agreement A.1.

a. Termination as to Any Employee

This Insuring Agreement terminates as to any "employee":

- (1) As soon as:
 - (a) You; or
 - (b) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";
 learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If

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

b. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory Condition **E.1.p.** for a period of not more than 90 consecutive days.

3. Conditions Applicable to Insuring Agreement A.2.

a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement **A.2.**

b. Electronic and Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c. Proof of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.p.** does not apply to Insuring Agreement **A.2.**

4. Conditions Applicable to Insuring Agreements A.4. and A.5.

a. Armored Motor Vehicle Companies

Under Insuring Agreement **A.5.**, we will only pay for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

b. Special Limit of Insurance for Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to:

(1) Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or

(2) Manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

5. Conditions Applicable to Insuring Agreement A.6.

a. Special Limit of Insurance for Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

b. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.p.** does not apply to Insuring Agreement **A.6.**

F. Definitions

1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
3. "Custodian" means you, or any of your partners or "members", or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
4. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party

under circumstances which, if true, would constitute a loss under this insurance.

5. "Employee":

a. "Employee" means:

(1) Any natural person:

- (a)** While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";
- (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 **a.(1)**, who is on leave; or
- (b)** To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";

(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 **a.(2);**

(4) Any natural person who is:

- (a)** A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
- (b)** A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";

(5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained as a consultant while performing services for you;

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises";

(7) Any "employee" of an entity merged or consolidated with you prior to the effective date of this insurance; or

(8) Any of your "managers", directors or trustees while:

(a) Performing acts within the scope of the usual duties of an "employee"; or

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

b. "Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph **5.a.**

6. "Employee benefit plan" means any welfare or pension benefit plan shown in the Declarations that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

7. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

8. "Fraudulent instruction" means:

a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

b. A written instruction (other than those described in Insuring Agree-

ment **A.2.)** issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

- c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.

- 9. "Funds" means "money" and "securities".
- 10. "Manager" means a person serving in a directorial capacity for a limited liability company.
- 11. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
- 12. "Messenger" means you, or a relative of yours, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".
- 13. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
- 14. "Occurrence" means:
 - a. Under Insuring Agreement **A.1.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related;

committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, before such Policy Period or both.
 - b. Under Insuring Agreement **A.2.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or

- (3) A series of acts whether or not related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, before such Policy Period or both.

- c. Under All Other Insuring Agreements:
 - (1) An individual act or event;
 - (2) The combined total of all separate acts or events whether or not related; or
 - (3) A series of acts or events whether or not related;

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, before such Policy Period or both.
- 15. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this insurance.
- 16. "Premises" means the interior of that portion of any building you occupy in conducting your business.
- 17. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
 - a. Caused or threatened to cause that person bodily harm; or
 - b. Committed an obviously unlawful act witnessed by that person.
- 18. "Safe burglary" means the unlawful taking of:
 - a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 - b. A safe or vault from inside the "premises".
- 19. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or 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".
- 20.** "Theft" means the unlawful taking of property to the deprivation of the Insured.
- 21.** "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":
 - a.** By means of electronic, telegraphic, cable, teletype, telefacsimile or tele-

phone instructions communicated directly through an electronic funds transfer system; or

- b.** By means of written instructions (other than those described in Insuring Agreement **A.2.**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.
- 22.** "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CinciPak™

**MEDICAL/DENTAL OFFICE COMMERCIAL CRIME
AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE PART

- I. Section **D. Exclusions**, Paragraph **3.** is modified by deleting in its entirety subparagraph **d. Money Operated Devices**.
- II. Section **E. Conditions**, **1. Conditions Applicable to All Insuring Agreements**, **f. Employee Benefit Plans**, **(1)** is deleted in its entirety and replaced by the following:
 - (1)** "Employee benefit plans" (hereafter referred to as Plan) are included as Insureds under Insuring Agreement **A.1**.
- III. Section **F. Definitions** is amended by deleting definition **6.** "Employee benefit plan" in its entirety and replacing it with the following:
 - 6.** "Employee benefit plan" means any welfare or pension benefit plan that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL CRIME COVERAGE FORM AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM

- A.** It is agreed that **E. Conditions, 1. Conditions Applicable to all Insuring Agreements, j. Liberalization** is deleted in its entirety and replaced by the following:

j. Liberalization

If, within 60 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will automatically apply to this Coverage Part as of the latter of:

- a.** The date we implemented the change in your state; or
- b.** The date this Coverage Part became effective; and

will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

- B.** It is agreed that **D. Exclusions, 1. i. Pollution** is deleted in its entirety and replaced by the following:

i. Pollutants

Loss or damage caused by or resulting from pollutants. Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. Pollutants include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property, or the environment regardless of whether injury or damage is caused directly or indirectly by the "pollutants" and whether:

- a.** You are regularly or otherwise engaged in activities which taint or degrade the environment; or
- b.** You use, generate or produce the pollutant.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRIME AND FIDELITY SCHEDULE OF LOCATIONS

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY**

LOC. STREET ADDRESS CITY STATE ZIP CODE

**1 555 S OLD WOODWARD AVE STE 701
 BIRMINGHAM, MI 48009-6618**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES - DUTIES

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
GOVERNMENT CRIME COVERAGE FORM
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM

- A.** Under the Commercial Crime Coverage Form and Government Crime Coverage Form, the following is added to the **Duties In The Event Of Loss** Condition:

Notice given by or on behalf of the Insured to our authorized agent, with particulars sufficient to identify the Insured, shall be considered notice to us.

- B.** Under the Kidnap/Ransom And Extortion Coverage Form, the following is added to the **Duties In The Event Of An Occurrence** Condition:

Notice given by or on behalf of the Insured to our authorized agent, with particulars sufficient to identify the Insured, shall be considered notice to us.

The Cincinnati Insurance Company

A Stock Insurance Company

DENTIST'S PROFESSIONAL LIABILITY COVERAGE PART DECLARATIONS (OCCURRENCE)

Attached to and forming part of POLICY NUMBER: ECP 034 21 08 Effective Date 08-01-2018

Named Insured is the same as it appears in the Common Policy Declarations unless another entry is made here.

LIMITS OF INSURANCE

\$ <u>100,000</u>	Each Dental Incident Limit - COVERAGE A - PROFESSIONAL LIABILITY
\$ <u>5,000</u>	Any One Person - COVERAGE B - FIRST AID PAYMENTS
\$ <u>300,000</u>	Aggregate Limit

Who Is Covered Under This Insurance:

<u>Name</u>	<u>Code</u>	<u>Premium</u>
MITCHELL MILAN DDS	80227	1,448

FORMS AND / OR ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART:

PA128	10/11	DENTIST'S PROFESSIONAL LIABILITY OCCURRENCE COVERAGE FORM
PA206	08/07	MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE
PA258	03/16	PATIENT INFORMATION PRIVACY INCIDENT COVERAGE
PA322	03/13	EXCLUSION - GENERAL ANESTHESIA
PA4003MI	04/08	MICHIGAN CHANGES
PA205	11/13	DEPARTMENT OF PROFESSIONAL REGULATION (DPR) COVERAGE

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DENTIST'S PROFESSIONAL LIABILITY OCCURRENCE COVERAGE FORM

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

Throughout this Coverage Part 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.

The word "insured" means any person or organization qualifying as such under **SECTION II - WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS**.

SECTION I - COVERAGES

COVERAGE A. PROFESSIONAL LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as "damages" due to injury caused by a "dental incident" 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" to which this insurance does not apply. We may, at our discretion, investigate any "dental incident" and, only with your written consent, settle any claim or "suit" that may result. But:

- (1) The amount we will pay for "damages" is limited as described in **SECTION III - LIMITS OF INSURANCE**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under **SECTION I - COVERAGES, COVERAGE A. PROFESSIONAL LIABILITY**; or first aid expenses under **SECTION I - COVERAGES, COVERAGE B. FIRST AID PAYMENTS**.

No other obligation or liability to pay sums or perform acts or services is covered unless expressly provided for under **SECTION I - COVERAGES, COVERAGE A. PROFESSIONAL LIABILITY**, Paragraph 3. **Supplementary Payments - Coverage A**.

- b. This insurance applies to injury only if:

- (1) The "dental incident" takes place in the "coverage territory"; and
- (2) The earlier of the following first occurs during the "coverage term":
 - (a) The first injury arising from the "dental incident" occurs; or
 - (b) The first injury arising from the "dental incident" begins to occur.

2. Exclusions

This insurance does not apply to:

a. Aircraft, Auto or Watercraft

Injury arising out of the ownership, maintenance, operation, use, entrustment, loading or unloading of any motor vehicle, trailer, watercraft, or aircraft.

b. Asbestos

Injury arising out of, attributable to, or any way related to asbestos in any form or transmitted in any manner.

c. Contractual Liability

Any liability for which the insured is obligated to pay "damages" by reason of the assumption of liability in a contract or agreement. However, this exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.

d. Discrimination

Any liability based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving non-employment related discrimination.

e. Dishonest, Criminal or Malicious Acts

Acts, errors, omissions or malpractice of any insured that are dishonest, criminal or malicious.

f. Employer's Liability

Injury, sickness or disease, including death, suffered by:

- (1) An employee of an insured sustained in the "workplace";
- (2) An employee of an insured arising out of the performance of duties re-

lated to the conduct of the insured's business; or

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

This exclusion applies:

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

g. Employment-Related Practices

Injury to:

- (1) A person arising out of any:
- (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Other employment-related practices, policies, acts or omissions including but not limited to coercion, criticism, demotion, evaluation, failure to promote, 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 injury to that person at whom any of the employment-related practices described in Paragraphs (1)(a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (1)(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.

h. Nuclear

Any liability based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving

the hazardous properties, including radioactive, toxic or explosive properties, of any nuclear material. Nuclear material means any source material, special nuclear material, or by-product materials as those terms are defined under the Atomic Energy Act of 1954 or any amendments thereto.

i. Other Operations

"Damages" for which the insured may be held liable as a:

- (1) Proprietor, superintendent, executive officer, stockholder or member of the board of directors, trustees or governors of any hospital, sanitarium, clinic with bed and board facilities, nursing home; or
- (2) Laboratory; or
- (3) Any other business enterprise.

Paragraph (2) of this exclusion does not apply to work completed for a patient of an insured by a laboratory owned and operated by you.

j. Pollutant

Loss, injury, cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or emission of "pollutants", including any loss, cost or expense arising out of any:

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

k. Sexual Molestation, Misconduct or Assault

Any claim made against an insured for any act of sexual molestation, sexual misconduct or sexual assault. However, we will defend any civil "suit" against an insured seeking "damages" which would be covered if this exclusion did not apply. In such case, we will pay only the fees, costs and expenses of such defense unless:

- (1) The insured is convicted of a criminal offense arising from the alleged act of sexual molestation, sexual misconduct or sexual assault;
- (2) The insured pleads guilty or no contest to a criminal charge or charges arising from the alleged act of sexual molestation, sexual misconduct or sexual assault;
- (3) The insured admits to their personal participation in or condoning of the alleged act of sexual molestation, sexual misconduct or sexual assault; or
- (4) The insured's personal participation in or condoning of the alleged act of sexual molestation, sexual misconduct or sexual assault is determined to have occurred by a court of competent jurisdiction in a civil action,

at which point our duty to defend the insured or pay "damages" on behalf of the insured shall cease.

I. War

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

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

m. Workers' Compensation and Similar Laws

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

n. Botulinum Toxin or Dermal Fillers

"Damages" arising or resulting from any cosmetic dermal procedures including botulinum toxins, hyaluronic acid products, collagen injections, dermabrasions, dermal fillers, or any other similar or related procedures.

3. Supplementary Payments - Coverage A.

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. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
- c. The cost of bonds to release attachments but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- e. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

COVERAGE B. FIRST AID PAYMENTS

1. Insuring Agreement

- a. We will pay first aid expenses as described in Paragraph **b.** below that result from physical injury to a person that occurs immediately while an insured is physically rendering "professional services" to that person, provided that:
 - (1) The injury takes place in the "coverage territory" and during the policy period;
 - (2) The expenses are incurred and reported to us within one year of the date of the injury; and
 - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable Limits of Insurance. We will pay reasonable first aid expenses for:
 - (1) First aid administered at the time of the injury;

- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.
- c. We will make these payments only with your consent.

2. Exclusions

We will not pay for first aid expenses:

a. Excluded Under Coverage A.

Resulting from liability excluded under **COVERAGE A. PROFESSIONAL LIABILITY.**

b. First Aid Services Provided by You

Resulting from first aid services provided by you, any insured or anyone else you have contracted with to provide such services.

c. Workers' Compensation and Similar Laws

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

d. Failure to Diagnose

Resulting from the failure to diagnose or treat any condition.

SECTION II - WHO IS AN INSURED

1. Each individual designated in the Who Is Covered Under This Insurance section of the Dentist's Professional Liability Coverage Part Declarations is an insured.
2. The following entities, if listed in the Who Is Covered Under This Insurance section of the Dentist's Professional Liability Coverage Part Declarations, are insured to the extent set forth below:
 - a. A partnership or joint venture, including its members or partners, but only with respect to the conduct of your business;
 - b. A limited liability company, including its members and managers. However:
 - (1) Members are insureds only with respect to the conduct of your business; and
 - (2) Managers are insureds only with respect to their duties as your managers; and

- c. An organization other than a partnership, joint venture or limited liability company, including:

- (1) Its executive officers and directors, but only with respect to their duties as your executive officers or directors; and
- (2) Its stockholders, but only with respect to their liability as stockholders,

but only for the acts, errors, omissions or malpractice of others. However, none of the foregoing are insureds with respect to "professional services" they furnish or which are furnished by a person under their personal direction, control or supervision.

3. The legal representative of an insured who dies is an insured, but only with respect to duties as such. That representative will have all rights and duties under this Coverage Part.
4. The employees and "independent contractor" dental hygienists and dental assistants of those insureds described in Paragraphs 1. or 2. above, but only while acting within the scope of their duties as such and only with respect to "professional services" performed on behalf of an insured described in Paragraphs 1. or 2. above.

However, employed or "independent contractor" physicians, nurse anesthetists or dentists are not insureds.

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

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Dentist's Professional Liability Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Claims made or "suits" brought; or
 - b. Persons or organizations making claims or bringing "suits".
2. Subject to 3. below, the Each Dental Incident Limit is the most we will pay for the sum of:
 - a. "Damages" under COVERAGE A; and
 - b. First Aid expenses under COVERAGE B; arising out of any one "dental incident".
3. The Aggregate Limit is the most we will pay for the sum of:
 - a. "Damages" under COVERAGE A; and
 - b. First Aid expenses under COVERAGE B;

for all claims or "suits" to which this insurance applies.

4. Subject to **2.** above, the First Aid Expenses Limit is the most we will pay under **COVERAGE B.** for all first aid expenses because of injury sustained by any one person.
5. The Limits of Insurance as described in Paragraphs **1., 2. and 3.** of **SECTION III - LIMITS OF INSURANCE** apply separately to each insured. However, only one Each Dental Incident Limit and one Aggregate Limit shall apply collectively to all insureds described in **SECTION II - WHO IS AN INSURED**, Paragraph **2.**
6. The Limits of Insurance of this Coverage Part apply separately to each "coverage term".

SECTION IV - CONDITIONS

1. Bankruptcy

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

2. Duties in the Event of Dental Incident, Claim or Suit

- a. You must see to it that we are notified promptly of every "dental incident" which may result in a claim. Notice should include:
 - (1) How, when and where the "dental incident" took place; and
 - (2) The names and addresses of any injured persons and witnesses.
- b. If a claim is made or "suit" is brought against any insured, you must see to it that we receive prompt written notice of the claim or "suit".
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury, sickness or disease to which this insurance may also apply.
- d. No insureds will, except at that insured's own cost, voluntarily make a payment,

assume any obligation, or incur any expense without our written consent.

3. Legal Action Against Us

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

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

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

4. Liberalization

If, within 60 days prior to the beginning of this Coverage Part or during the "coverage term", we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will automatically apply to this insurance as of the latter of:

- a. The date we implemented the change in your state; or
- b. The date this insurance became effective; and

will be considered as included until the end of the current Policy Period. We will make no additional premium charge for this additional coverage during the interim.

5. Multi-Year Policies

If this Coverage Part is issued for more than one year, the premium shall be computed annually based on our rates or premiums in effect at each anniversary.

6. Other Insurance

This insurance is excess over, and shall not contribute with any other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this Coverage Part.

7. Representations

By accepting this Coverage Part, you agree:

- a. The statements in the Dentist's Professional Liability Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this Coverage Part in reliance upon your representations.

8. Separation of Insureds

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

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

9. Transfer of Rights of Recovery Against Others to Us

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

10. When We Do Not Renew

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

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

SECTION V - DEFINITIONS

1. "Coverage term" means the following individual increment, or if a multi-year policy period, increments, of time, which comprise the policy period of this Coverage Part:

- a. The year commencing on the Effective Date of this Coverage Part at 12:01 AM standard time at your mailing address shown in the Declarations, and if a multi-year policy period, each consecutive annual period thereafter, or portion thereof if any period is for a period of less than 12 months, constitute individual "coverage terms". The last "coverage term" ends at 12:00 AM standard time at your mailing address shown in the Declarations on the earlier of:

- (1) The date the policy period shown in the Declarations ends; or

- (2) The day the policy to which this Coverage Part is attached is terminated or cancelled.

- b. However, if after the issuance of this Coverage Part, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".

2. "Coverage territory" means anywhere in the world provided the original claim or "suit" for such "damages" or first aid expenses is brought within the United States of America, its territories or possessions, Puerto Rico or Canada.

3. "Damages" means monetary compensation payable because of an injury, sickness or disease, including death, to which this insurance applies.

4. "Dental incident":

- a. Means any act, error, omission or malpractice arising out of the providing of or failing to provide "professional services" by:

- (1) An insured;
- (2) An employee of an insured;
- (3) Any person acting under an insured's personal direction, control or supervision;
- (4) Any person for whose acts an insured is legally liable; or
- (5) An insured while acting as an instructor of dentistry or as a member of a formal dental accreditation, standards review or similar professional board or committee; and

- b. For purposes of determining what we will pay under this coverage:

- (1) All injury resulting from a series of acts or omissions in rendering "professional services" to one person; or
- (2) All injury occurring while an insured is acting as an instructor of dentistry or as a member of a formal dental accreditation, standards review or similar professional board or committee in connection with a single person or organization; or
- (3) All injury arising out of or in connection with the continuous or repeated exposure to substantially the same conditions,

shall be considered as arising from one "dental incident" regardless of the time

frame over which such "dental incidents" or injury occur. A "dental incident" shall be deemed to have occurred in the "coverage term" in which the earliest "dental incident" occurred.

5. "Independent contractor" means a natural person who provides "professional services" on your behalf.
6. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property or the environment regardless of whether the injury or damage is caused directly or indirectly by the "pollutants" and whether:
 - a. The insured is regularly or otherwise engaged in activities which taint or degrade the environment; or
 - b. The insured uses, generates or produces the "pollutant".
7. "Profession" or "Professional services" means the practice of:
 - a. Dentistry by a duly licensed dentist;

- b. Dental hygiene by a duly licensed dental hygienist;
- c. Dental assisting by a duly licensed dental assistant;
- d. Dental consulting by a licensed dentist; or
- e. Rendering an opinion as a dental expert by a licensed dentist when retained to examine human remains,

as prescribed by the applicable statutes and licensing laws of the jurisdictions which the insured practices.

8. "Suit" means a civil proceeding in which "damages" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which "damages" are claimed and to which the insured must submit or does submit 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. An appeal of a civil proceeding.
9. "Workplace" means that place and during such hours to which the employee sustaining injury was assigned by you, or any other person or entity acting on your behalf, to work on the date the injury was suffered.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE

This endorsement modifies insurance provided under the following:

DENTIST'S PROFESSIONAL LIABILITY OCCURRENCE COVERAGE FORM

SCHEDULE

Limit of Insurance: \$50,000 "Defense Expenses"

- A. SECTION I - COVERAGES** is amended to include the following:

COVERAGE D. MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT

1. Insuring Agreement

We will reimburse you for the "defense expenses" you incur as a result of a "civil suit" alleging you violated a law or regulation governing the disposal of medical waste. This coverage applies only to a "civil suit" which is brought against you during the policy period. We have no right or duty to defend you for any such "civil suit".

No other obligation or liability to pay sums or perform acts or services is covered.

2. Exclusions

This insurance does not apply to:

- a.** Any incident that is insured under another provision which forms a part of this policy or any other policy in which it is more specifically described.
- b.** A "civil suit" arising from any incident that took place prior to the effective date of this policy.

- B. SECTION III - LIMITS OF INSURANCE** is deleted in its entirety and replaced by the following with respect only to the insurance coverage afforded under this endorsement:

- 1.** The Limit of Insurance stated in the Schedule of this endorsement and the rules below fix the most we will pay regardless of the number of:
 - a.** Insureds;
 - b.** "Civil suits" brought; or

- c.** Persons or organizations bringing "civil suits".

- 2.** The "Defense Expenses" Limit of Insurance stated in the Schedule of this endorsement is the most we will reimburse for the sum of all "civil suits" to which this insurance applies.

- 3.** The Limit of Insurance provided under this endorsement applies separately to each "coverage term".

- C. SECTION IV - CONDITIONS** is amended to include the following:

Duties in the Event of Civil Suit

You must see to it that we are notified in writing as soon as practicable that a "civil suit" to which this insurance applies has been brought against you. Notice should include:

- a.** How, when and where the incident that resulted in a "civil suit" took place; and
- b.** Copies of notices or other legal papers received in connection with the "civil suit".

- D. SECTION V - DEFINITIONS** is amended to include:

- 1.** "Civil suit" means a civil proceeding brought against you by a federal or state environmental protection agency to which this insurance applies.
- 2.** "Defense expenses" means necessary and reasonable legal fees, costs and expenses incurred by you as a result of an investigation, defense and appeal of a "civil suit". "Defense expenses" shall not include your remuneration or overhead expenses.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**PATIENT INFORMATION PRIVACY INCIDENT COVERAGE**

This endorsement modifies insurance provided under the following:

**DENTIST PROFESSIONAL LIABILITY COVERAGE FORM
DENTIST PROFESSIONAL LIABILITY COVERAGE FORM CLAIMS-MADE**

SCHEDULE

Information Privacy Incident Limit: \$25,000

1. For this endorsement only, **SECTION I - COVERAGE, 1. Insuring Agreement**, Paragraph **a.** is amended to include the following:

We will pay on your behalf "defense expenses" and "damages" you are legally obligated to pay for an "information privacy incident".
2. For this endorsement only, the last paragraph of **SECTION III - LIMITS OF INSURANCE** is amended to include the following:

The amount shown in the **Schedule for Information Privacy Incident Limit** on this endorsement is the most we will pay for all claims arising out of a single "information privacy incident". The **Information Privacy Incident Limit** provided under this endorsement applies separately to each "coverage term".
3. For this endorsement only, **SECTION IV - CONDITIONS** is amended as follows:

Condition **2. Duties of the Insured in the Event of a Dental Incident, Claim or Suit** is amended to include the following:

You must see to it that we are notified promptly in writing of every claim made, investigation or disciplinary proceeding brought against you alleging an "information privacy incident" to which this insurance applies. All other provisions of the **Duties in the Event of a Dental Incident, Claim or Suit** Condition apply.
4. For this endorsement only, **SECTION V - DEFINITIONS** is amended to include the following:
 - a. "Defense expenses" means fees, costs or expenses incurred by us or by you, including reasonable fees charged by an attorney retained by you, with our written consent, to defend you in a civil investigation or disciplinary proceeding arising out of an "information privacy incident".
 - b. "Information privacy incident" means an act, error or omission by you which results in a breach or violation of U.S. federal and/or state statutes and regulations in connection with the care, custody and control of personal identifying financial or medical information of your patients in the scope of your "professional health care services". The laws for which breaches or violations are intended to be covered by this endorsement include, but are not limited to:
 - (1) The Health Insurance Portability & Accountability Act of 1996 (HIPAA) including any amendments;
 - (2) The Gramm-Leach-Bliley Act of 1999 (GLB) including any amendments; and
 - (3) State laws directly related to privacy protection of patients.
5. For this endorsement only, **SECTION V - DEFINITIONS**, "Profession" or "Professional services" is amended to include the following:

"Profession" or "Professional services" means the practice of:
 - f. Maintaining the confidentiality and security of personal identifying financial or medical information of your patients in conformance with U.S. federal and/or state statutes and regulations.
"Profession" or "Professional services" also includes services performed by any person as a:
 - a. Member of a formal accreditation, standards review or equivalent professional board or committee of the Named Insured; or
 - b. Person charged with executing the directives of such board or committee.
Any such act or omission together with all related acts or omissions in the furnishing of such services to any one person shall be considered one "information privacy incident".
6. For this endorsement only, **SECTION V - DEFINITIONS**, "Damages" is deleted in its entirety and replaced by the following:

"Damages" means all monetary damages, including civil fines or penalties, which are payable because of injury to which this Coverage Part applies.

Damages do not include:

- a.** Criminal fines or penalties imposed by law;
- b.** Punitive or exemplary damages, the multiplied portion of multiplied damages;
- c.** Any amount for which you are not financially liable; or
- d.** Any award that is uninsurable under the law governing this Coverage Part.

All other terms and conditions of this Coverage Part remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - GENERAL ANESTHESIA

This endorsement modifies insurance provided under the following:

DENTIST'S PROFESSIONAL LIABILITY OCCURRENCE COVERAGE FORM

SECTION I - COVERAGES, COVERAGE A. PROFESSIONAL LIABILITY, 2. Exclusions is amended to include the following:

This insurance does not apply to:

Any liability for "damages" arising out of the use of general anesthesia or deep sedation, unless the general anesthesia or deep sedation is administered:

- 1.** By a person other than an insured that is certified and accredited in the administration of general anesthesia; and
- 2.** In facilities and with equipment, personnel, processes and procedures meeting all applicable regulatory or statutory requirements.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERAGE PART

- A.** The paragraph relating to prejudgment interest, if any, in **SUPPLEMENTARY PAYMENTS** (Section **I**) is replaced by the following:

Prejudgment interest awarded against the insured on that part of the judgment we become obligated to pay and which falls within the applicable limits of insurance.

- B.** With respect to the **DUTIES** Condition (Section **IV**):

- 1.** Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
- 2.** Paragraph **2.b.** is replaced by the following:
 - b.** If a claim ("claim") is made or "suit" is brought against any insured, you must:
 - (1)** Immediately record the specifics of the claim ("claim") or "suit" and the date received; and
 - (2)** Notify us as soon as practicable.
- 3.** The reference to Paragraph **d.** is amended to read Paragraph **e.**
- 4.** The following is added:
 - d.** Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEPARTMENT OF PROFESSIONAL REGULATION (DPR) COVERAGE

This endorsement modifies insurance provided under the following:

DENTIST'S PROFESSIONAL LIABILITY OCCURRENCE COVERAGE FORM

Schedule

Limits of Insurance

Each Investigation	<u>\$ 25,000</u>
Aggregate	<u>\$ 75,000</u>

- A. SECTION I - COVERAGES** is amended to include the following:

COVERAGE C. DEPARTMENT OF PROFESSIONAL REGULATION (DPR) INVESTIGATIONS

1. Insuring Agreement

- a.** We will pay "investigation expenses" incurred by an insured who becomes the subject of a Department of Professional Regulation (DPR), or a similar state regulatory board, investigation. However, the amount we will pay for "investigation expenses" is limited as described in Section **B.** of this endorsement.
- b.** This insurance applies to an investigation, as described in Paragraph **1.a.** above, only if the investigation is commenced due to a "dental incident" that is insured under **COVERAGE A. PROFESSIONAL LIABILITY** of this Coverage Part.

No other obligation or liability to pay sums or perform acts or services is covered.

2. Exclusions

This insurance does not apply to "investigation expenses" incurred:

a. Medicare or Medicaid

To defend an insured for any issues related to Medicare and/or Medicaid billing, including, but not limited to, allegations of billing errors or fraudulent billing.

b. Suspension or Revocation of License

Due to the suspension or revocation of an insured's license.

- B. SECTION III - LIMITS OF INSURANCE** is deleted in its entirety and replaced by the following with respect only to the insurance coverage afforded under this endorsement:

- 1.** The Limits of Insurance shown in the Schedule of this endorsement and the rules below fix the most we will pay regardless of the number of:
 - a.** Insureds;
 - b.** Investigations commenced; or
 - c.** Persons or organizations commencing investigations.
- 2.** Subject to **3.** below, the Each Investigation Limit is the most we will pay for the sum of "investigation expenses" under **COVERAGE C.** arising out of any one investigation.
- 3.** The Aggregate Limit is the most we will pay for the sum of "investigation expenses" under **COVERAGE C.** for all investigations to which this insurance applies.

The Limits of Insurance provided under this endorsement apply separately to each "coverage term".

- C. SECTION IV - CONDITIONS** is amended to include the following:

Duties in the Event of a Department of Professional Regulation (DPR) Investigation

You, and any other involved insured, must see to it that we receive written notice of any DPR

investigation within 30 days after you, or any other insured, have received notice of a DPR investigation.

D. SECTION V - DEFINITIONS is amended to include the following:

"Investigation expenses" means:

- a.** Reasonable fees, costs and expenses charged by attorneys or arbitrators for a Department of Professional Regulation (DPR), or similar state regulatory board, investigation brought against an insured;
- b.** All other reasonable and necessary fees, costs and expenses resulting from the investigation; and
- c.** Up to \$500 per day for actual loss of earnings suffered by the insured under investigation because of time off from work while attending a Department of Professional Regulation (DPR), or similar state regulatory board, hearing.

"Investigation expenses" shall not include:

- (1)** Payments made under **SECTION I - COVERAGES, COVERAGE A.**, Paragraph **3. Supplementary Payments - Coverage A.**;
- (2)** Salary charges of regular "employees" or officials of ours or fees and expenses of independent adjusters;
- (3)** Salaries, loss of earnings, reimbursement for the insured's time or attendance required in any investigation except as provided in Paragraph **c.** above;
- (4)** Other remuneration by or to any insured; or
- (5)** Fines or penalties resulting from a Department of Professional Regulation (DPR), or similar state regulatory board, investigation.

All other terms and conditions of this policy remain unchanged.

THE CINCINNATI INSURANCE COMPANY

CINCINNATI, OHIO

BUSINESS AUTO COVERAGE PART DECLARATIONS**ITEM ONE**Attached to and forming part of POLICY NUMBER: **EBA 034 21 08**

Named Insured is the same as it appears in the Common Policy Declarations.

ITEM TWO**SCHEDULE OF COVERAGES AND COVERED AUTOS**

This coverage part provides only those coverages where a premium or "incl" is shown in the premium column below. The limit of Insurance for each coverage listed is subject to all applicable policy provisions. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Business Auto Coverage Form next to the name of the coverage.

COVERAGES	COVERED AUTOS (Entry of one or more of the symbols from the COVERED AUTOS Section of the Business Auto Coverage Form shows which autos are covered autos)	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
LIABILITY	8, 9	\$ 1,000,000	INCL
PERSONAL INJURY PROTECTION (or equivalent No-fault coverage)		Separately stated in each P.I.P. endorsement minus \$	Ded.
ADDED PERSONAL INJURY PROTECTION (or equivalent added No-fault coverage)		Separately stated in each added P.I.P. endorsement	
PROPERTY PROTECTION INSURANCE (Michigan only)		Separately stated in each P. P.I. endorsement minus \$	Ded
AUTO. MEDICAL PAYMENTS		\$	
UNINSURED MOTORISTS		\$	
UNDERINSURED MOTORISTS (When not included in Uninsured Motorists Coverage)		\$	
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE		Actual cash value or cost of repair, Whichever is less minus \$ Ded. For each covered auto. But no Deductible applies to loss caused by Fire or lightning. See Item Three for hired or borrowed "autos"	
PHYSICAL DAMAGE SPECIFIED CAUSES OF LOSS COVERAGE		Actual cash value or cost of repair, Whichever is less minus \$ Ded. For Each covered auto. For loss caused by mischief or vandalism. See Item Three for hired or borrowed "autos"	
PHYSICAL DAMAGE COLLISION COVERAGE		Actual cash value or cost of repair, Whichever is less minus \$ Ded for each covered auto. See Item Three for hired or borrowed "autos".	
PHYSICAL DAMAGE INSURANCE TOWING AND LABOR		\$ for each disablement of a private passenger auto	
PREMIUM FOR ENDORSEMENTS			INCL
*ESTIMATED TOTAL PREMIUM			

FORMS AND ENDORSEMENTS CONTAINED IN THIS COVERAGE PART AT ITS INCEPTION:

AA4183 02/06 AUTOMOBILE SCHEDULE

AA101 03/06 BUSINESS AUTO COVERAGE FORM

AA2009 01/17 CHANGES - TOWING AND LABOR

AA296 07/12 CHANGES - AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE

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FORMS AND ENDORSEMENTS CONTAINED IN THIS COVERAGE PART AT ITS INCEPTION:

AA4263	04/10	OFFICE OF FOREIGN ASSETS CONTROL (OFAC) COMPLIANCE ENDORSEMENT
CA0110	08/97	MICHIGAN CHANGES
CA0217	12/90	MICHIGAN CANCELLATION AND NONRENEWAL CHANGES

* This policy may be subject to final audit

QUICK REFERENCE

COMMERCIAL AUTO COVERAGE PART

BUSINESS AUTO COVERAGE FORM

READ YOUR POLICY CAREFULLY

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 Policy Period
 Description of Business
 Coverages and Limits of Insurance

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AUTOMOBILE SCHEDULE**ITEM THREE**

Attached to and forming a part of Policy Number EBA 034 21 08 , effective 08-01-2018

The insurance afforded for any automobile is only with respects to such and so many of the coverages as are indicated by specific premium charge or charges indicated.

POLICY LIMITSState: MI

Bodily Injury: 1,000,000 CSL

Property Damage: INCLUDED

Veh.

No. Vehicle Information

HIRED AND NON-OWNED
OTC-COMP DED: N/A

Class: Territory
 Coll Ded: N/A

BI	PD	MP	OTC	COLL	UM	TOTAL
INCL	INCL	N/A	N/A	N/A	N/A	INCL

SYMBOLS:

BI	-- Bodily Injury	SPEC	-- Specified Perils
PD	-- Property Damage	COLL	-- Collision
MP	-- Medical Payments	UM	-- Uninsured Motorists
OTC	-- Other Than Collision (ACV Coverage applies unless Stated Amount Value is indicated)	UIM	-- Underinsured Motorists
CAC	-- Combined Additional Coverage	PIP	-- Personal Injury Protection
FT&S	-- Fire, Theft, and Supplemental	T&L	-- Towing and Labor Costs
		RR	-- Rental Reimbursement

BUSINESS AUTO COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS**.

SECTION I - COVERED AUTOS

ITEM TWO of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description of Covered Auto Designation Symbols

SYMBOL	DESCRIPTION
1 =	ANY "AUTO".
2 =	OWNED "AUTOS" ONLY. Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3 =	OWNED PRIVATE PASSENGER "AUTOS" ONLY. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4 =	OWNED "AUTOS" OTHER THAN PRIVATE PASSENGER "AUTOS" ONLY. Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5 =	OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
6 =	OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those "autos" you own that because of the law in the state where

they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.

7 = SPECIFICALLY DESCRIBED "AUTOS". Only those "autos" described in ITEM THREE of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to a power unit described in ITEM THREE).

8 = HIRED "AUTOS" ONLY. Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your "employees" or partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

9 = NONOWNED "AUTOS" ONLY. Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.

B. Owned Autos You Acquire After the Policy Begins

1. If Symbols 1, 2, 3, 4, 5, or 6 are entered next to a coverage in ITEM TWO of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.

2. But, if Symbol 7 is entered next to a coverage in ITEM TWO of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:

a. We already cover all "autos" that you own for that coverage or it replaces

an "auto" you previously owned that had that coverage; and

- b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment and Temporary Substitute Autos

If Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.

2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

SECTION II - LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who is an Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a cov-

ered "auto". This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
- (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
- (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
- (5) A partner (if you are a partnership), or a member (if you are a limited liability company), for a covered "auto" owned by him or her or a member of his or her household.
- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for the cost of bail bonds (including bonds for related traffic law violations) re-

quired because of an "accident" we cover. We do not have to furnish these bonds.

- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All costs taxed against the "insured" in any "suit" against the "insured" we defend.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when 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 Insurance.

b. Out-of-State Coverage Extensions

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected or Intended Injury

"Bodily injury" or "property damage" which may reasonably be expected to result from the intentional or criminal acts of the "insured" or which is in fact expected or intended by the "insured", even if the injury or damage is of a different degree or type than actually expected or intended. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. 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; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification and Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" sustained in the "workplace";
- b. An "employee" of the "insured" arising out of the performance of duties related to the conduct of the "insured's" business; or
- c. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. or b. above.

This Exclusion applies:

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

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract" other than a contract or agreement with a labor leasing firm. For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

6. Care, Custody or Control

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. Movement of Property by Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

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

- a. Any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, 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 ve-

hicle insurance law where it is licensed or principally garaged.

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

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

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraphs **a.** or **b.** above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

11. Pollutant

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

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or

- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** of this exclusion does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment".

However, this exception to Paragraph **a.** does not apply if the fuels, lubricants, fluids, exhaust gases or other similar "pollutants" are intentionally discharged, dispersed or released.

Paragraphs **b.** and **c.** of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release, emission or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- 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:

- (1) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such "insured", contractor or subcontractor; or
- (2) 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".

Subparagraph **d.(1)** does not apply to "bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such "insured", contractor or subcontractor.

12. War

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

- a. War, including undeclared or civil war;
- 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.

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This

insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

D. Mobile Equipment Subject to Motor Vehicle Insurance Laws

As respects **SECTION II - LIABILITY COVERAGE** any land vehicle, which would qualify as "mobile equipment", except that it is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged, is considered a covered "auto" under **SECTION II - LIABILITY COVERAGE**, irrespective of the Auto Designation Symbols shown for **SECTION II - LIABILITY COVERAGE** in the Declarations.

SECTION III - PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

b. Specified Causes of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. Collision Coverage

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs

incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

a. Transportation Expenses

We will also pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered

"auto" is returned to use or we pay for its "loss".

in hindering or defending against any of these.

b. Loss of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver, under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes of Loss only if the Declarations indicate that Specified Causes of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. Exclusions

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War or 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

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. 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:

- a. Wear and tear, freezing, mechanical or electrical breakdown; or
- b. Blowouts, punctures or other road damage to tires.

4. We will not pay for "loss" to any of the following:

- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
- b. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.
- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.
- d. Any accessories used with the electronic equipment described in Paragraph c. above.

Exclusions 4.c. and 4.d. do not apply to:

- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or such equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or
- b. Any other electronic equipment that is:

- (1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
- (2) An integral part of the same unit housing any sound reproducing equipment described in Paragraph a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.

- 5. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limit of Insurance

- 1. 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 the "loss"; or

- b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

- 2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
- 3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. 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 shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

SECTION IV - BUSINESS AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal for Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

2. Duties in the Event of Accident, Claim, Suit or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:

- (1) How, when and where the "accident" or "loss" occurred;

- (2) The "insured's" name and address; and

- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

- b. Additionally, you and any other involved "insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".

- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".

- (4) Authorize us to obtain medical records or other pertinent information.

- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

c. If there is "loss" to a covered "auto" or its equipment you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment - Physical Damage Coverages

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Cov-

erage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation or Fraud

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

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If within 60 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will automatically apply to this Coverage Part as of the latter of:

- a. The date we implemented the change in your state; or
- b. The date this Coverage Part became effective; and

will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

4. No Benefit to Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an "insured contract".
- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the Policy Period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico;
- d. Canada; and
- e. Anywhere in the world if:

- (1) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and

- (2) The "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two or More Coverage Forms or Policies Issued by Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION V - DEFINITIONS

A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

B. "Auto" means:

1. A land motor vehicle, "trailer" or semi-trailer designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

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

D. "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that the "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
2. Any 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".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or emission of "pollutants":

a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "insured";
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto"; or

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place

where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

(1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and

(2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** or **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

(1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

(2) The discharge, dispersal, seepage, migration, release, escape or emission of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".

F. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

G. "Insured" means any person or organization qualifying as an insured in the Who is an Insured provision of the applicable coverage.

Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

H. "Insured contract":

1. Means:

- a.** A lease of premises;
- b.** A sidetrack agreement;
- c.** An 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.** 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 to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
- f.** That part of any other contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

2. Does not include that part of any contract or agreement:

- a.** 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; or
- b.** That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or

- c.** That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

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

- J.** "Loss" means direct and accidental loss or damage.

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

- 1.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- 2.** Vehicles maintained for use solely on or next to premises you own or rent;
- 3.** Vehicles that travel on crawler treads;
- 4.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a.** Power cranes, shovels, loaders, diggers or drills; or
 - b.** Road construction or resurfacing equipment such as graders, scrapers or rollers.
- 5.** Vehicles not described in Paragraphs **1.**, **2.**, **3.**, or **4.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a.** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b.** Cherry pickers and similar devices used to raise or lower workers.
- 6.** Vehicles not described in Paragraphs **1.**, **2.**, **3.**, or **4.** 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":
 - a.** Equipment designed primarily for:

- a.** Equipment designed primarily for:

- (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
 - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or 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 law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".
- L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum, petroleum products and their by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property or the environment regardless of whether injury or damage is caused directly or indirectly by the "pollutants" and whether:
 - 1. The "insured" is regularly or otherwise engaged in activities which taint or degrade the environment; or
 - 2. The "insured" uses, generates or produces the "pollutant".
 - M. "Property damage" means damage to or loss of use of tangible property.
 - N. "Suit" means a civil proceeding in which:
 - 1. Damages because of "bodily injury" or "property damage"; or
 - 2. A "covered pollution cost or expense",
 to which this insurance applies, are alleged.

"Suit" includes:

 - a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" 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 or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
 - O. "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.
 - P. "Trailer" includes semitrailer.
 - Q. "Workplace" means that place and during such hours to which the "employee" sustaining "bodily injury" was assigned by you, or any other person or entity acting on your behalf, to work on the date of the "accident".

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

- 1. The insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an "insured" under the policy is also an "insured" under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters 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 any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazard-

ous properties" of "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material", if:

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means "source material", "special nuclear material" or "byproduct material";

"Source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been

used or exposed to radiation in a "nuclear reactor";

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

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";
- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES - TOWING AND LABOR

This endorsement modifies insurance provided by the following:

BUSINESS AUTO COVERAGE FORM

With respect to the coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

- 1. SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage, 2. Towing** is deleted in its entirety and replaced with:

- 2. Towing**

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" is disabled. However, the labor must be performed at the place of disablement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CHANGES - AUDIO, VISUAL AND DATA ELECTRONIC
EQUIPMENT COVERAGE**

This endorsement modifies insurance provided by the following:

BUSINESS AUTO COVERAGE FORM

With respect to the coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

1. SECTION III - PHYSICAL DAMAGE COVERAGE, B. Exclusions, 4. is deleted in its entirety and replaced with:

4. We will not pay for "loss" to any of the following:

- a.** Tapes, records, discs or similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
- b.** Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.
- c.** Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
- d.** Any accessories used with the electronic equipment described in Paragraph **c.** above.

Exclusions **4.c.** and **4.d.** do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- a.** Permanently installed in or upon the covered "auto";
- b.** Removable from a housing unit which is permanently installed in or upon the covered "auto";
- c.** An integral part of the same unit housing any electronic equipment described in Paragraphs **a.** and **b.** above; or
- d.** Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

2. SECTION III - PHYSICAL DAMAGE COVERAGE, C. Limits of Insurance, 1. is deleted in its entirety and replaced with:

1. The most we will pay for:

a. "Loss" to any covered "auto" is the lesser of;

- (1)** The actual cash value of the damaged or stolen property as of the time of the "loss"; or
- (2)** The cost of repairing or replacing the damaged or stolen property with other property of like kind or quality.

b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss", is up to \$1,000, if, at the time of "loss", such electronic equipment is:

- (1)** Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
- (2)** Removable from a permanently installed housing unit as described in Paragraph **b.1.** above; or
- (3)** An integral part of such equipment as described in Paragraphs **b.(1)** and **b.(2)** above.

3. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE ADDED LIMITS

The sub-limit in Paragraph **1.b.** above is in addition to the Limit of Insurance shown in the Schedule of the Audio, Visual and Data Equipment Coverage endorsement, if purchased.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OFFICE OF FOREIGN ASSETS CONTROL (OFAC) COMPLIANCE ENDORSEMENT

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM**

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions of the **BUSINESS AUTO COVERAGE FORM** and **SECTION V - GARAGE CONDITIONS, B. General Conditions** of the **GARAGE COVERAGE FORM** are amended to include the following:

Office of Foreign Assets Control (OFAC) Compliance

Whenever insurance coverage provided by this policy would be in violation of any United States economic or trade sanctions, such insurance coverage shall be null and void.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

For a covered "auto" licensed or principally garaged in, or for "garage operations" conducted in, Michigan, this endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM**

A. Changes in Liability Coverage

1. For a covered "auto" subject to the Michigan no-fault law, Liability Coverage does not apply to "property damage" to a motor vehicle caused by an "accident" "occurring" in Michigan.
2. Paragraph **1(d) (i) and (ii)** of the **Who is an Insured** provision in the Garage Coverage Form is replaced by the following:

Your customers, if your business is shown in the Declarations as an "auto" dealership, but only up to the compulsory or financial responsibility law limits where the covered "auto" is principally garaged.

B. Changes in Physical Damage Coverage

Any Physical Damage Coverage and any Rental Reimbursement Coverage provided by the policy do not apply to the extent that Property Protection Coverage benefits are available as required by Michigan law.

C. Changes in Conditions

1. The **Duties in the Event of Accident, Claim, Suit or Loss** Condition in the Business Auto, Truckers and Garage Coverage Forms is amended to:
 - a. Revise Paragraph **a.** to allow you, or anyone on your behalf, to provide the

notice necessary to satisfy this Condition.

- b. Add the following paragraph:

Failure to give you notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

2. The **Duties in the Event of Loss** Condition in the Business Auto Physical Damage Coverage Form is amended to:

- a. Revise Paragraph **a.** to allow you, or anyone on your behalf, to provide the notice necessary to satisfy this Condition.

- b. Add the following paragraph:

Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**MICHIGAN CANCELLATION AND NONRENEWAL CHANGES**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM**

If you are an individual and the covered "auto" you own is of the "private passenger type" and the policy covers fewer than five "autos," the CANCELLATION Common Policy Condition does not apply to that "auto." The following Condition applies instead:

ENDING THIS POLICY**A. Cancellation**

1. You may cancel the policy by mailing or delivering to us advance notice of cancellation.
2. When this policy is in effect less than 55 days and is not a renewal or continuation policy, we may cancel for any reason by mailing or delivering to you within this period written notice of cancellation at least 20 days before the effective date of cancellation. If we cancel for nonpayment of premium we will mail or deliver notice to you at least 10 days before the effective date of cancellation.
3. When this policy is in effect 55 days or more or is a renewal or continuation policy, we may cancel only for one or more of the reasons listed below. If we cancel for nonpayment of premium, we will mail you at least 10 days notice. If we cancel for any other reason, we will mail you at least 30 days notice.
 - a. Nonpayment of premium.
 - b. The named "insured" or any other operator who either resides in the same household or customarily operates an "auto" has had his or her driver's license suspended during the policy period and the revocation or suspension has become final.
 - c. If during the first 55 days after the original issue date of the policy the risk is unacceptable to us.

But if this policy has been written for a period of more than a year or without a fixed expiration date, we may cancel at an anniversary of its original effective date for any reason. If we cancel, we will mail or deliver to you at least 30 days written notice.

4. Notice of cancellation will state the effective date of cancellation.
5. If this policy is cancelled, we will send you any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. Non-Renewal

1. If we decide not to renew or continue this policy we will mail or deliver to you written notice at least 30 days before the end of the policy period. 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.
2. If we fail to mail or deliver proper notice of non-renewal and you obtain other insurance this policy will end on the effective date of that insurance.

C. Mailing of Notices

We will mail by certified mail our notice of cancellation to your last mailing address known to us, except that if the policy is in effect less than 55 days or is a renewal policy or is cancelled for non-payment of premium, we will mail you notice by regular mail. If notice is mailed, proof of mailing will be sufficient proof of notice.

For all other "private passenger types," the CANCELLATION Common Policy Condition does not apply to LIABILITY COVERAGE on a covered "auto" of the "private passenger type." The following Condition applies instead:

ENDING THIS POLICY**A. Cancellation**

1. You may cancel the policy by mailing or delivering to us advance notice of cancellation.
2. When this policy is in effect less than 55 days and is not a renewal or continuation policy, we may cancel for any reason by mailing or delivering to you within this period written notice of cancellation at least 20 days before the effective date of cancellation. If we cancel for nonpayment of premium we will mail or deliver notice to you at least 10 days before the effective date of cancellation.
3. When this policy is in effect 55 days or more or is a renewal or continuation policy, we may cancel only for one or more of the reasons listed below. If we cancel for nonpayment of premium, we will mail you at least 10 days notice. If we cancel for any

other reason, we will mail you at least 20 days notice.

- a. Nonpayment of premium.
- b. The named "insured" or any other operator who either resides in the same household or customarily operates an "auto" has had his or her driver's license suspended during the policy period and the revocation or suspension has become final.
- c. If during the first 55 days after the original issue date of the policy the risk is unacceptable to us.

But if this policy has been written for a period of more than a year or without a fixed expiration date, we may cancel at an anniversary of its original effective date for any reason. If we cancel, we will mail or deliver to you at least 20 days written notice.

- 4. Notice of cancellation will state the effective date of cancellation.
- 5. If this policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is

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

B. Non-Renewal

- 1. If we decide not to renew or continue this policy we will mail or deliver to you written notice at least 20 days before the end of the policy period. 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.
- 2. If we fail to mail or deliver proper notice of non-renewal and you obtain other insurance this policy will end on the effective date of that insurance.

C. Mailing of Notices

We will mail by certified mail our notice of cancellation to your last mailing address known to us, except that if the policy is in effect less than 55 days or is a renewal policy or is cancelled for non-payment of premium, we will mail you notice by regular mail. If notice is mailed, proof of mailing will be sufficient proof of notice.

THE CINCINNATI INSURANCE COMPANY

PROFESSIONAL UMBRELLA LIABILITY COVERAGE

PART DECLARATIONS

Previous Policy Number **ECP0342108**Attached to and forming part of POLICY NUMBER: **ECP 034 21 08** Effective Date: **08-01-2018****Named Insured** is the same as it appears in the Common Policy Declarations unless another entry is made here.**PROFESSION OF INSURED: DENTIST****LIMITS OF INSURANCE**\$ **1** ,000,000 Each Occurrence Limit\$ **1** ,000,000 Aggregate Limit**ADVANCE PREMIUM \$ 600**

Applicable to Premium, if box is checked:

☒ Subject to Annual Adjustment☐ Subject to Audit (see Premium Computation Endorsement for Rating Basis)**SCHEDULE OF UNDERLYING INSURANCE**

Insurer, Policy Number & Period:	Underlying Insurance:	Underlying Limits:
(a) CINCINNATI INDEMNITY CO EWC0340992 08-01-2018 TO 08-01-2019	Employer's Liability	Bodily Injury by Accident: \$ 100,000 Each Accident Bodily Injury by Disease: \$ 100,000 Each Employee Bodily Injury by Disease: \$ 500,000 Policy Limit
(b) CINCINNATI INS. CO. ECP 034 21 08 08-01-2018 TO 08-01-2021	<input checked="" type="checkbox"/> Commercial General Liability Including: <input checked="" type="checkbox"/> Products-Completed Operations Coverage <input type="checkbox"/> Cemetery Professional <input type="checkbox"/> Druggist Professional <input type="checkbox"/> Funeral Service Provider <input type="checkbox"/> Professional or <input type="checkbox"/> Business Liability Including: <input type="checkbox"/> Funeral Service Provider <input type="checkbox"/> Druggist Professional	Bodily Injury and Property Damage Liability: \$ 1,000,000 Each Occurrence Limit \$ 2,000,000 General Aggregate Limit \$ 2,000,000 Products-Completed Operations Aggregate Limit Personal and Advertising Injury Limit: \$ 1,000,000 Any One Person or Organization
(c) CINCINNATI INS. CO. EBA 034 21 08 08-01-2018 TO 08-01-2021	Automobile Liability Including: <input type="checkbox"/> Owned Autos <input checked="" type="checkbox"/> Non-Owned Autos <input checked="" type="checkbox"/> Hired Autos <input type="checkbox"/> Any Auto	Bodily Injury Liability Limit: \$ Each Person \$ Each Occurrence Property Damage Liability Limit: \$ Each Occurrence or Bodily Injury Liability and / or Property Damage Liability or Both Combined Limit: \$ 1,000,000 Each Occurrence
(d) CINCINNATI INS. CO. ECP 034 21 08 08-01-2018 TO 08-01-2021	<input checked="" type="checkbox"/> Professional Liability <input type="checkbox"/> DENTIST'S <input type="checkbox"/>	\$ 100,000 Each Dental Incident \$ 300,000 Aggregate

(e)	Employee Benefit Liability	\$ \$	Each Employee Limit Aggregate Limit
(f)	Liquor Liability	\$ \$	Each Common Cause Limit Aggregate Limit

Other

FORMS AND / OR ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART:

US103UM	12/04	PROFESSIONAL UMBRELLA - TABLE OF CONTENTS
US302	12/04	POLLUTANT EXCLUSION - OTHER THAN AUTO
US306	12/04	AUTO LIABILITY LIMITATION
US3093	05/14	EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH LIMITED BODILY INJURY EXCEPTION
US4044MI	05/04	MICHIGAN CHANGES
US4062	11/05	MOBILE EQUIPMENT SUBJECT TO MOTOR VEHICLE INSURANCE LAWS - LIMITATION
US4098	04/10	OFFICE OF FOREIGN ASSETS CONTROL (OFAC) COMPLIANCE ENDORSEMENT

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PROFESSIONAL UMBRELLA LIABILITY COVERAGE FORM

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

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

The word "insured" means any person or organization qualifying as such under **SECTION II - WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS**.

SECTION I - COVERAGE

A. Insuring Agreements

1. Other Than Professional Liability

We will pay on behalf of the insured the "ultimate net loss" which the insured is legally obligated to pay as damages for "bodily injury", "personal and advertising injury" or "property damage" to which this insurance applies:

- a. Which is in excess of the "underlying insurance"; or
- b. Which is either excluded or not insured by "underlying insurance".

2. Professional Liability

- a. We will pay on behalf of the insured the "ultimate net loss" which the insured is legally obligated to pay as damages in excess of the "underlying insurance" because of "professional liability" to which this insurance applies.
- b. The terms, definitions, conditions, limitations and exclusions of the "underlying insurance" covering "professional liability" as specified in the Schedule of Underlying Insurance are made a part of this Coverage Part except for:

- (1) Any term or condition relating to:
 - (a) Any duty to investigate or defend;
 - (b) The limits of insurance;
 - (c) The payment of expenses;

- (d) The premium;
- (e) Cancellation or non-renewal;
- (f) Any renewal agreement;
- (g) The policy period; or
- (2) Any other provision that is not consistent with this Coverage Part,

in which case the terms, definitions, conditions, limitations and exclusions of this Coverage Part will apply.

3. This insurance applies to "bodily injury", "personal and advertising injury", "professional liability" or "property damage" only if:

- a. The "bodily injury", "personal and advertising injury", "professional liability" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- b. The "bodily injury", "professional liability" or "property damage" occurs during the policy period shown in the Declarations; or
- c. The "personal and advertising injury" results from an "occurrence" that takes place during the policy period shown in the Declarations; and
- d. Prior to the "coverage term" in which "bodily injury" or "property damage" occurs, or a "personal and advertising injury" offense is committed, you did not know, per Paragraph 6. below, that the "bodily injury" or "property damage" had occurred or had begun to occur, in whole or in part, or that the "personal and advertising injury" offense had been committed or had begun to be committed, in whole or in part.

4. "Bodily injury" or "property damage" which:

- a. Occurs during the "coverage term"; and
- b. Was not, prior to the "coverage term", known by you, per Paragraph 6. below, to have occurred;

includes any continuation, change or resumption of that "bodily injury" or "prop-

erty damage" after the end of the "coverage term" in which it first became known by you.

5. "Personal and advertising injury" caused by an offense which:

- a. Was committed during the "coverage term"; and
- b. Was not, prior to the "coverage term", known by you, per Paragraph 6. below, to have been committed;

includes any continuation, change or resumption of that "personal and advertising injury" offense after the end of the "coverage term" in which it first became known by you.

6. You will be deemed to know that "bodily injury" or "property damage" has occurred, or that a "personal and advertising injury" offense has been committed at the earliest time when any "authorized representative":

- a. Reports all, or any part, of the "bodily injury", "personal and advertising injury" or "property damage" to us or any other insurer;
- b. Receives a written or verbal demand or claim for damages because of the "bodily injury", "personal and advertising injury" or "property damage";
- c. First observes, or reasonably should have first observed, the "bodily injury" or "property damage", or the offense that caused the "personal and advertising injury";
- d. Becomes aware, or reasonably should have become aware, by any means, other than as described in c. above, that "bodily injury" or "property damage" had occurred or had begun to occur, or that the "personal and advertising injury" offense had been committed or had begun to be committed; or
- e. Becomes aware, or reasonably should have become aware, of a condition from which "bodily injury", "personal and advertising injury" or "property damage" is substantially certain to occur.

7. The amount we will pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE.**

No other obligation or liability to pay sums or perform acts or services is covered, unless expressly provided for under **SECTION I -**

COVERAGE, C. Defense and Supplementary Payments.

B. Exclusions

1. The following exclusions apply only to insurance coverage provided under **SECTION I - COVERAGE, A. Insuring Agreements, Paragraph 1. Other Than Professional Liability:**

This insurance does not apply to:

a. Asbestos

Any liability arising out of, attributable to or any way related to asbestos in any form or transmitted in any manner.

b. Breach of Contract, Failure to Perform, Wrong Description and Violation of Another's Rights

"Personal and advertising injury":

- (1) Arising out of breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (2) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (3) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement"; or
- (4) 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".

c. Contractual Liability

Any liability 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 "bodily injury", "personal and advertising injury" or "property damage":

- (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", "personal and advertising injury" or "property damage"

occurs subsequent to the execution of the contract or agreement.

d. 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.

e. Damage to Property

"Property damage" to property owned by any insured, 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.

f. Damage to Your Product

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

g. 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.

h. Distribution of Material in Violation of Statutes

Any liability arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including

any amendment of or addition to such law;

- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

- c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

i. Electronic Chatrooms or Bulletin Boards

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

j. 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".

k. Employer's Liability Limitation

Any liability arising from any injury to:

- (1) An "employee" of the insured sustained in the "workplace";
- (2) An "employee" of the insured arising out of the performance of duties related to the conduct of the insured's business; or
- (3) The spouse, child, parent, brother or sister of that "employee" as a consequence of (1) or (2) above.

This exclusion applies:

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

This exclusion does not apply when such insurance is provided by valid and collectible "underlying insurance" listed in the Schedule of Underlying Insurance, or would have been provided by such listed "underlying insurance" except for the exhaustion by payment of claims of its limits of insurance, and then only

for such hazards for which coverage is provided by such "underlying insurance", unless otherwise excluded by this Coverage Part.

I. Employment-Related Practices

Any liability arising from any injury to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Other employment-related practices, policies, acts or omissions including but not limited to coercion, criticism, demotion, evaluation, failure to promote, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of any injury to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

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

m. Expected or Intended Injury

"Bodily injury" or "property damage" which may reasonably be expected to result from the intentional or criminal acts of the insured or which is in fact expected or intended by the insured, even if the injury or damage is of a different degree or type than actually intended or expected.

However, this exclusion does not apply to:

- (1) "Bodily injury" resulting from the use of reasonable force to protect persons or property; or
- (2) "Bodily injury" or "property damage" resulting from the use of reasonable force to prevent or

eliminate danger in the operation of "autos" or watercraft.

n. Falsity, Prior Publication, Criminal Act and Media and Internet Type Businesses

"Personal and advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral or written publication of material whose first publication took place before the later of the following:
 - (a) The inception of this Coverage Part; or
 - (b) The "coverage term" in which insurance coverage is sought;
- (3) Arising out of a criminal act committed by or at the direction of the insured; or
- (4) 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, Paragraph (4) does not apply to Paragraphs 17.a., b., c., d. and i. of "personal and advertising injury" under **SECTION V - DEFINITIONS**.

For the purposes of Paragraph (4), the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

o. Infringement of Copyright, Patent, Trademark or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

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

p. Pollutant - Auto

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

(a) That are, or that are contained in any property that is:

- 1) Being transported or towed by, handled, or handled for movement into, onto or from, an "auto" that an insured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion;
- 2) Otherwise in the course of transit by or on behalf of the insured; or
- 3) Being stored, disposed of, treated or processed in or upon an "auto" that an insured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion;

(b) Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the insured for movement into or onto an "auto" that an insured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion; or

(c) After the "pollutants" or any property in which the "pollutants" are contained are moved from an "auto" that an insured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion to the place where they are finally

delivered, disposed of or abandoned by the insured.

Paragraph (a) above does not apply to "bodily injury" or "property damage" arising from fuels, lubricants, or other operating fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of an "auto" that an insured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion or its parts, if:

- 1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- 2) The "bodily injury" or "property damage" does not arise out of the operation of any equipment listed in Paragraphs f.(2) and (3) of the definition of "mobile equipment".

However, this exception to Paragraph (a) does not apply if the fuels, lubricants, or other operating fluids, exhaust gases or other similar "pollutants" are intentionally discharged, dispersed, emitted or released.

Paragraphs (b) and (c) above do not apply to an "occurrence" that occurs away from premises owned by or rented to an insured with respect to "pollutants" not in or upon an "auto" that an insured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion if:

- 1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of an "auto" that an in-

sured owns, hires, borrows, rents, leases, or that is operated on their behalf in any other fashion; and

- 2) The discharge, dispersal, seepage, migration, release, emission or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- (2) Any liability caused by "pollutants" and arising from the operation, maintenance, use, "loading or unloading" of an "auto", for which insurance coverage is excluded by "underlying insurance".

q. Pollutant - Other Than Auto

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, emission 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, Paragraph (1)(a) of this exclusion does not apply to the following if such liability is covered by "underlying insurance" listed in the Schedule of Underlying Insurance, but only to the extent insurance is provided at the "underlying limit" specified in the Schedule of Underlying Insurance for the "underlying insurance" listed and subject to all its terms, limitations and conditions:

- 1) "Bodily injury", if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment 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;

- 2) "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 "underlying insurance" as an additional insured with respect to your ongoing operations or "your work" 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

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

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

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible;

- (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, Paragraph (1)(d) of this exclusion does not apply to the following if such liability is covered by "underlying insurance" listed in the Schedule of Underlying Insurance, but only to the extent insurance is provided at the "underlying limit" specified in the Schedule of Underlying Insurance for the "underlying insurance" listed and subject to all its terms, limitations and conditions:

- 1) "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;
- 2) "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

- 3) "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) "Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or emission of "pollutants" at any time.
- (3) 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 (3) 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.

- (4) Any liability caused by "pollutants", for which insurance coverage is excluded by "underlying insurance".

r. Professional Liability

Any liability or damages arising from "professional liability", including but not limited to "bodily injury", "personal and advertising injury" or "property damage".

s. Recall of Products, Work or Impaired Property

Any liability or 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.

t. Unauthorized Use of Another's Name or Product

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

u. Uninsured / Underinsured Motorist

Any liability or obligation to any insured or anyone else under any uninsured motorist, underinsured motorist, automobile no-fault or first party personal injury law.

v. War

Any liability, 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 hin-

dering or defending against an actual or expected attack by any government, sovereign or 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.

w. Workers' Compensation

Any liability or obligation of the insured under any workers' compensation, unemployment compensation, disability benefits or similar law. However, this exclusion does not apply to liability of others assumed by you under an "insured contract" in existence at the time of "occurrence".

2. The following exclusions apply only to insurance coverage provided under **SECTION I - COVERAGE, A. Insuring Agreements, Paragraph 2. Professional Liability**:

This insurance does not apply to:

a. Professional Liability Limitation

Any liability or damages arising from "professional liability", unless such liability is covered by valid and collectible "underlying insurance", but only for such hazards for which coverage is afforded by such "underlying insurance", unless otherwise excluded or limited by this Coverage Part.

b. Other Than Professional Liability

Any liability or damages for which insurance coverage is provided under **SECTION I - COVERAGE, A. Insuring Agreements, Paragraph 1. Other Than Professional Liability**.

C. Defense and Supplementary Payments

1. We will have the right and duty to defend the insured against any "suit" seeking damages because of "bodily injury", "personal and advertising injury", "professional liability" or "property damage" to which this insurance applies. We will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "personal and advertising injury", "professional liability" or "property damage" to which this insurance does not apply. We may, at our discretion, in-

investigate any "occurrence" and settle any claim or "suit" that may result when:

- a. The applicable limits of the "underlying insurance" and any other insurance have been exhausted by payment of claims; or
 - b. Damages are sought for "bodily injury", "personal and advertising injury" or "property damage" which are not covered by "underlying insurance" or other insurance.
2. Our right and duty to defend ends when the applicable Limits of Insurance, as stated in the Declarations, has been exhausted by payment of claims.
 3. We have no duty to investigate, settle or defend any claim or "suit" other than those circumstances described in Paragraph **C.1**. However, we do have the right to participate in the investigation, settlement or defense of any claim or "suit" to which this insurance applies. If we exercise this right, we will do so at our expense.
 4. If there is no underlying insurer or other insurance obligated to do so, we will pay the following when we provide a defense:
 - a. All expenses we incur.
 - b. The cost of bail bonds up to \$3,000. We do not have to furnish these bonds.
 - c. The cost of bonds to appeal a judgment or award in any claim or "suit" we defend and the cost of bonds to release attachments, but only for bond amounts within the applicable 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 the claim or "suit", including the actual loss of earnings.
 - e. All costs taxed against the insured in the "suit".
 5. If there is no underlying insurer obligated to do so, we will pay the following for an "occurrence" to which this insurance applies, even if we have no duty to provide a defense:
 - a. Prejudgment interest awarded against the insured on that part of the judgment we become obligated to pay and which falls within the applicable Limit of Insurance. If we

make an offer to pay the applicable Limits of Insurance, we will not pay any prejudgment interest based on the period of time after the offer.

- b. All interest awarded against the insured on the full amount of any judgment that accrues:

(1) After entry of the judgment; and

(2) Before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

6. The payments described in Paragraphs 4. and 5. above will not reduce the Limits of Insurance provided by this Coverage Part when defense or supplementary payments provided by the "underlying insurance" do not reduce their Limits of Insurance. However, when defense or supplementary payments provided by the "underlying insurance" reduce their Limits of Insurance then such expense payments paid by us will reduce the Limits of Insurance provided by this Coverage Part.
7. If we are prevented by law or otherwise from carrying out any of the provisions of **SECTION I - COVERAGE, C. Defense and Supplementary Payments**, we will pay any expense incurred with our written consent.

SECTION II - WHO IS AN INSURED

1. Except for liability arising out of the ownership, maintenance, occupancy or use of an "auto", or "professional liability":
 - 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 members, 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 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.

- (4) 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. Each of the following is also a Named Insured:
- (a) Any "subsidiary" company of such organization, including any "subsidiary" of such "subsidiary":
 - 1) Existing at the inception of this Coverage Part; or
 - 2) Formed or acquired on or after the inception of this Coverage Part.
 - (b) Any other company controlled and actively managed by such organization or any "subsidiary" thereof:
 - 1) At the inception of this Coverage Part; or
 - 2) If the control and active management thereof is acquired on or after the inception of this Coverage Part.
- (5) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
- b. Each of the following is also an insured:
- (1) Any "employee" of yours while acting within the scope of their duties as such.
 - (2) Any person or organization while acting as your real estate manager.
 - (3) Any person or organization having proper temporary custody of your property if you die, but only:
 - (a) With respect to liability arising out of the maintenance or use of that property; and
 - (b) Until your legal representative has been appointed.
 - (4) Your legal representative if you die, but only with respect to duties as such.
2. Only with respect to liability arising out of the ownership, maintenance, occupancy or use of an "auto":
- a. You are an insured.
 - b. Anyone else while using with your permission an "auto" you own, hire or borrow is also an insured except:
 - (1) The owner or any other person or organization (except your "executive officers" or principals) from whom you hire or borrow an "auto", unless such persons or organizations are insureds in your "underlying insurance" listed in the Schedule of Underlying Insurance, and then only for such hazards for which coverage is provided by such "underlying insurance". This exception does not apply if the "auto" is a trailer or semi-trailer connected to an "auto" you own.
 - (2) Your "employee", if the "auto" is owned by that "employee" or a member of his or her household, unless:
 - (a) Such "employee" is an insured with respect to that "auto" in the "underlying insurance" listed in the Schedule of Underlying Insurance, and then only for such hazards for which coverage is provided by such "underlying insurance"; or
 - (b) The "bodily injury" or "property damage" is sustained by a co-"employee" of such "employee".
 - (3) Someone using an "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos", unless that business is yours.
 - (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from an "auto".
 - c. Anyone liable for the conduct of an insured described in Paragraphs 2.a. and b. above is also an insured, but only if they are provided insurance coverage for such liability by valid and collectible "underlying insurance" listed in the Schedule of Underlying Insurance and then only for such hazards for which coverage is provided by such "underlying insurance".

3. Only with respect to liability arising from "professional liability":

Only those natural persons or other entities:

- a. For whom insurance coverage is provided by the "underlying insurance" specifically listed in the Schedule of Underlying Insurance applicable to "professional liability" are insureds; and
- b. Only to the extent they enjoy insured status thereunder,

unless otherwise limited by the terms and conditions of this Coverage Part.

4. At your option and subject to the terms of this insurance, any additional insureds not addressed in the "underlying insurance", other than that applicable to "professional liability", listed in the Schedule of Underlying Insurance are also insureds, but only to the extent that insurance is provided for such additional insureds thereunder.

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

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for all damages:
 - a. Included in the "products-completed operations hazard";
 - b. Because of "bodily injury" by disease sustained by your "employees" arising out of and in the course of their employment by you;
 - c. Because of "professional liability"; or
 - d. Because of "bodily injury", "personal and advertising injury" or "property damage" not included within **a.**, **b.** or **c.** above. However, this Aggregate Limit will not apply to damages which are not subject to an Aggregate Limit in the "underlying insurance".

The Aggregate Limit applies separately to **a.**, **b.**, **c.** and **d.** The Aggregate Limit described in **d.** will apply only to damages not subject to **a.**, **b.** or **c.** above.

3. Subject to the Limit of Insurance described in **2.d.** above:
 - a. Only in the event that "underlying insurance" specifically listed in the Schedule of Underlying Insurance provides an annual Aggregate Limit of Insurance for damages that would not be subject to **2.a.**, **b.** or **c.** above that is applicable separately to each:
 - (1) Location owned by, or rented or leased to you solely with respect to damages which are the result of a claim or "suit" for "bodily injury" or "property damage" which can be attributed to operations at only a single location, then the Aggregate Limit described in **2.d.** above applies separately to each location owned by, or rented or leased to you.
 - (2) Of your construction projects solely with respect to damages which are the result of a claim or "suit" for "bodily injury" or "property damage" which can be attributed only to ongoing operations and only at a single construction project, then the Aggregate Limit described in **2.d.** above applies separately to each of your construction projects.
 - b. Only with respect to the application of Limits of Insurance described in **3.a.** above, the following terms location and construction project will have the following meanings:
 - (1) 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.
 - (2) Construction project means a location you do not own, rent or lease where ongoing improvements, alterations, installation, demolition or maintenance work is performed by you or on your behalf. All connected ongoing improvements, alterations, installation, demolition or maintenance work performed by you or on your behalf at the same location for the same persons or entities, no matter how often or under how many different contracts, will be deemed to be a single construction project.

4. Subject to the limits described in **2.** and **3.** above, the Each Occurrence Limit is the most we will pay for the "ultimate net loss":
 - a. In excess of the applicable limits of "underlying insurance"; or
 - b. If an "occurrence" is not covered by "underlying insurance", but covered by the terms and conditions of this Coverage Part,

Because of all "bodily injury", "personal and advertising injury", "professional liability" and "property damage" arising out of any one "occurrence".

We will not pay more than the Limit of Insurance shown in this Coverage Part's Declarations for each "occurrence" because any Personal Umbrella Liability Policy(ies) is / are attached to this policy.

5. Subject to the limits described in **2.**, **3.** and **4.** above and to the terms and conditions of the "underlying insurance":
 - a. If the limits of "underlying insurance" have been reduced by payment of claims, this Coverage Part will continue in force as excess of the reduced "underlying insurance"; or
 - b. If the limits of "underlying insurance" have been exhausted by payment of claims, this Coverage Part will continue in force as "underlying insurance".
6. The Limits of Insurance of this Coverage Part apply separately to each "coverage term".

SECTION IV - CONDITIONS

1. Appeals

If the insured or any insurer who provides the applicable "underlying insurance" elects not to appeal a judgment which exceeds the "underlying limit", we may elect to do so at our own expense. We shall be liable for the taxable costs and disbursements and interest incidental thereto, but in no event shall this provision increase our liability beyond:

- a. Our applicable Limits of Insurance for all "ultimate net loss";
- b. Our applicable Defense and Supplementary Payments as described in **SECTION I - COVERAGE, C. Defense and Supplementary Payments**; and
- c. The expense of such appeal.

2. Audit

If this Coverage Part is subject to Audit, as indicated in the Declarations, then the following Condition applies:

- a. The premium shown in the Premium Computation Endorsement as Advance Premium is a deposit premium. At the close of each audit period, we will compute the earned premium for that period. If:
 - (1) The earned premium is less than the deposit premium, we will return the excess to the first Named Insured; or
 - (2) The earned premium is greater than the deposit premium, the difference will be due and payable to us by the first Named Insured upon notice from us. The due date for audit and retrospective premiums is the date shown as the due date on the bill.

However, in no event will the earned premium be less than the Minimum Premium stated in the Premium Computation Endorsement.

- b. 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.

3. Bankruptcy

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

4. Duties in the Event of Occurrence, Claim or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim or "suit". To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" 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".

This requirement applies only when the "occurrence" is known to an "authorized representative".

- b. If a claim is made or "suit" is brought against any insured that is likely to involve this Coverage Part, you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

This requirement will not be considered breached unless the breach occurs after such claim or "suit" is known to an "authorized representative".

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

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

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

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

5. First Named Insured

The person or organization first named in the Declarations will act on behalf of all other insureds where indicated in this Coverage Part.

6. Legal Action Against Us and Loss Payments

a. No legal action may be brought against us unless there has been full compliance with all the terms of this Coverage Part nor until the amount of the insured's obligation to pay has been finally determined as provided below. No person or organization has any right under this Coverage Part to bring us into any action to determine the liability of the insured.

b. We shall be liable for payment of the "ultimate net loss" for any "occurrence" to which this Coverage Part applies:

(1) For "occurrences" not covered by "underlying insurance"; or

(2) In excess of the "underlying limit" applicable to the "occurrence" only after the insurers who provide the applicable "underlying insurance"

have paid or become obligated to pay the amount of the "underlying limit" applicable to the "occurrence".

Our payment will be made following final determination of the amount of the insured's obligation to pay either by final judgment against the insured or by written agreement with the insured, the claimant, the underlying insurers and us.

7. Liberalization

If, within 60 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will automatically apply to this Coverage Part at the latter of:

a. The date we implemented the change in your state; or

b. The date this Coverage Part became effective; and

Will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

8. Maintenance of Underlying Insurance

a. While this Coverage Part is in effect, the insured shall maintain in force the "underlying insurance" listed in the Schedule of Underlying Insurance as collectible insurance. The terms, conditions and endorsements of "underlying insurance" will not materially change and renewals or replacements of "underlying insurance" will not be more restrictive in coverage.

b. Limits of "underlying insurance" will not be reduced, except for any reduction or exhaustion in the aggregate limits of insurance due to payment of claims which are in accordance with **SECTION I - COVERAGE, A. Insuring Agreements**, Paragraph 3. of this Coverage Part.

c. In the event you fail or neglect to maintain "underlying insurance" as required, this Coverage Part will apply as though such "underlying insurance" was in force and collectible at the time a claim is presented to us which is in accordance with **SECTION I - COVERAGE, A. Insuring Agreements**, Paragraph 3. of this Coverage Part.

d. The limits of "underlying insurance" shall be deemed applicable, regardless of any defense which the insurer who provides

the "underlying insurance" may assert because of the insured's failure to comply with any Condition of the policy or the inability of the insurer to pay by reason of bankruptcy or insolvency.

9. Other Insurance

This insurance is excess over, and shall not contribute with any other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this Coverage Part.

10. Premium

The premium for this Coverage Part shall be as stated in the Declarations. The advance and anniversary premiums are not subject to adjustment, except as stated in the Declarations, or as stated in an endorsement issued by us to form a part of this Coverage Part.

You shall maintain records of such information as is necessary for premium computation, and shall, if requested by us, send copies of such records to us at the end of the "coverage term" and at such times during the policy period as we may direct.

11. Representations

- a. By acceptance of this Coverage Part, you agree that the statements in the Declarations are your agreements and representations, that this Coverage Part is issued in reliance upon the truth of such representations and that this Coverage Part embodies all agreements existing between you and us or any of our agents relating to this insurance.
- b. However, to the extent that the following applies in the "underlying insurance" listed specifically in the Schedule of Underlying Insurance, it will also apply to this Coverage Part:

Based on our reliance upon your representations as to existing hazards, if unintentionally you should fail to disclose all such hazards at the inception date of this Coverage Part, we will not reject coverage under this Coverage Part based solely on such failure.

12. Separation of Insureds

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

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

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

13. Transfer of Rights of Recovery Against Others to Us

- a. If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.
- b. Any recoveries shall be applied as follows:
 - (1) First, we will reimburse anyone, including the insured, the amounts actually paid by them that were in excess of our payments;
 - (2) Next, we will be reimbursed to the extent of our actual payment; and
 - (3) Lastly, any amounts left after meeting the obligations outlined in (1) and (2) above will be distributed to anyone else known to us at the time a recovery is made and who is legally entitled to such recovery.

Expenses incurred in the recovery shall be apportioned among all interests in the ratio of their respective recoveries as finally settled. If there is no recovery as a result of our attempts, we shall bear all of the recovery expenses.

- c. If prior to an "occurrence" to which this Coverage Part would apply, you and the issuer of your applicable "underlying insurance" listed specifically in the Schedule of Underlying Insurance waive any right of recovery against a person or organization for injury or damage, we will also waive any rights we may have against such person or organization.

14. When We Do Not Renew

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

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

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of at-

- tracting customers or supporters. "Advertisement" includes a publicity article. 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. "Authorized representative" means:
- a. If you are:
 - (1) An individual, you and your spouse are "authorized representatives".
 - (2) A partnership or joint venture, your members, your partners, and their spouses are "authorized representatives".
 - (3) A limited liability company, your members and your managers are "authorized representatives".
 - (4) An organization other than a partnership, joint venture or limited liability company, your "executive officers" and directors are "authorized representatives". Provided you are not a publicly traded organization, your stockholders are also "authorized representatives".
 - (5) A trust, your trustees are "authorized representatives".
 - b. Your "employees" assigned to manage your insurance program, or assigned to give or receive notice of an "occurrence", claim or "suit" are also "authorized representatives".
3. "Auto" means:
- a. Any land motor vehicle, trailer or semi-trailer designed for travel on public roads; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.
- "Auto" does not include "mobile equipment".
4. "Bodily injury" means bodily harm or injury, sickness, disease, disability, humiliation, shock, fright, mental anguish or mental injury, including care, loss of services or death resulting from any of these at any time.
5. "Coverage term" means the following individual increment, or if a multi-year policy period, increments, of time, which comprise the policy period of this Coverage Part:
- a. The year commencing on the Effective Date of this Coverage Part at 12:01 AM standard time at your mailing address shown in the Declarations, and if a multi-year policy period, each consecutive annual period thereafter, or portion thereof if any period is for a period of less than 12 months, constitute individual "coverage terms". The last "coverage term" ends at 12:00 AM standard time at your mailing address shown in the Declarations on the earlier of:
 - (1) The day the policy period shown in the Declarations ends; or
 - (2) The day the policy to which this Coverage Part is attached is terminated or cancelled.
 - b. However, if after the issuance of this Coverage Part, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".
6. "Coverage territory" means anywhere.
7. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any similar governing document.
10. "Hostile fire" means one that becomes uncontrollable or breaks out from where it was intended to be.
11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement,

if such property can be restored to use by:

- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
- b. Your fulfilling the terms of the contract or agreement.

12. "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 "property damage" by fire or explosion 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, other than a contract or agreement pertaining to the rental or lease of any "auto", (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", "property damage" or "personal and advertising injury" 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; or
- g. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

Paragraphs **f.** and **g.** do not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury", "property damage" or "personal and advertising injury" arising out of construction or demolition op-

erations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing. However, if such liability is insured by valid and collectible "underlying insurance" as listed in the Schedule of Underlying Insurance, this Paragraph **(1)** shall not apply for such hazards for which insurance coverage is afforded by such "underlying insurance";

- (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;
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for 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, architectural or engineering activities;
- (4) That indemnifies an advertising, public relations or media consulting firm for "personal and advertising injury" arising out of the planning, execution or failure to execute marketing communications programs. Marketing communications programs include but are not limited to comprehensive marketing campaigns; consumer, trade and corporate advertising for all media; media planning, buying, monitoring and analysis; direct mail; promotion; sales materials; design; presentations; point-of-sale materials; market research; public relations and new product development;
- (5) Under which the insured, if an advertising, public relations or media consulting firm, assumes liability for "personal and advertising injury" arising out of the insured's rendering or failure to render professional services, including those services listed in Paragraph **(4)**, above;

- (6) That indemnifies a web-site designer or content provider, or Internet search, access, content or service provider for injury or damage arising out of the planning, execution or failure to execute Internet services. Internet Services include but are not limited to design, production, distribution, maintenance and administration of web-sites and web-banners; hosting web-sites; registering domain names; registering with search engines; marketing analysis; and providing access to the Internet or other similar networks;
- (7) Under which the insured, if a web-site designer or content provider, or Internet search, access, content or service provider, assumes liability for injury or damage arising out of the insured's rendering or failure to render Internet services, including those listed in Paragraph (6), above;
- (8) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver;
- (9) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of an "auto" over a route or territory that person or organization is authorized to serve by public authority; or
- (10) That indemnifies any party for "professional liability".
13. "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" includes supervisors furnished to you by the labor leasing firm. "Leased worker" does not include a "temporary worker".
14. "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".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

16. "Occurrence" means:

- a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions, that results in "bodily injury" or "property damage";
- b. An offense that results in "personal and advertising injury"; or
- c. A negligent act, error, omission, malpractice or mistake that results in "professional liability".

All damages arising from the same accident, continuous or repeated exposure to substantially the same general harmful conditions, act, offense, error, omission, malpractice or mistake shall be deemed to arise from one "occurrence" regardless of:

- (1) The frequency of repetition;
- (2) The number or kind of media used; or
- (3) The number of claimants.

17. "Personal and advertising injury" means injury, including "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. Abuse of process;
- d. 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;
- e. Defamation of character, including 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;

- f. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- g. The use of another's advertising idea in your "advertisement";
- h. Infringing upon another's copyright, trade dress or slogan in your "advertisement"; or
- i. Discrimination, unless insurance coverage therefor is prohibited by law or statute.

18. "Pollutants" mean any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include, but are not limited to, substances which are generally recognized in industry or government to be harmful or toxic to persons, property or the environment regardless of whether the injury or damage is caused directly or indirectly by the "pollutants" and whether:

- a. The insured is regularly or otherwise engaged in activities which taint or degrade the environment; or
- b. The insured uses, generates or produces the "pollutant".

19. "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 the work called for in your contract has been completed.
 - (b) When all of the work to be done at the site has been completed, if your contract calls for work at more than one site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another

contractor or subcontractor working on the same project.

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

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
- 20. "Professional liability" means injury arising from a negligent act, error, omission, malpractice or mistake, as defined by the "underlying insurance" listed in the Schedule of Underlying Insurance covering such liability.
- 21. "Property damage" means:
 - a. Physical injury to or destruction of tangible property including all resulting loss of use. All such loss of use shall be deemed to occur at the time of the physical injury or destruction 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.
- 22. "Subsidiary" means any organization in which more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors is owned or controlled, directly or indirectly, in any combination, by one or more of the Named Insureds.
- 23. "Suit" means a civil proceeding in which money damages because of "bodily injury", "personal and advertising injury", "professional liability" or "property damage" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such money damages are claimed and to which the insured must submit or does submit with our consent;

- b. Any other alternative dispute resolution proceeding in which such money damages are claimed and to which the insured submits with our consent; or
 - c. An appeal of a civil proceeding.
24. "Temporary worker" means a person who is furnished to you to:
- a. Substitute for a permanent "employee" on leave; or
 - b. Meet seasonal or short-term workload conditions.
25. "Ultimate net loss" means the sum actually paid or payable in the settlement or satisfaction of the insured's legal obligation for damages, covered by this insurance, either by adjudication or compromise. "Ultimate net loss" does not include Defense and Supplementary Payments as described in **SECTION I - COVERAGE, C. Defense and Supplementary Payments** of this Coverage Part.
26. "Underlying insurance" means the insurance listed in the Schedule of Underlying Insurance and the insurance available to the insured under all other insurance policies applicable to the "occurrence". "Underlying insurance" also includes any type of self-insurance or alternative method by which the insured arranges for funding of legal liabilities that affords coverage that this Coverage Part covers.
27. "Underlying limit" means the total of the applicable limits of all "underlying insurance" less the amount, if any, by which the applicable limit of the applicable policy listed in the Schedule of Underlying Insurance has been reduced solely by payment of loss resulting from claims which are in accordance with **SECTION I - COVERAGE, A. Insuring Agreements, Paragraph 3.** of this Coverage Part.
28. "Workplace" means that place and during such hours to which the "employee" sustaining injury was assigned by you, or any other person or entity acting on your behalf, to work on the date of "occurrence".
29. "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.

30. "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.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART

A. SECTION I - COVERAGE, B. Exclusions, Paragraphs 1. and 2. are modified to add the following:

This insurance does not apply to:

1. Any liability:

- a. With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- b. Resulting from the "hazardous properties" of "nuclear material" and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) 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.
2. Any liability resulting from the "hazardous properties" of "nuclear material", if
 - a. The "nuclear material" (1) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom,
 - b. 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
 - c. The injury or 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 c. applies only to "property damage" to such "nuclear facility" and any property thereat.

B. SECTION V - DEFINITIONS is hereby modified to add the following definitions:

1. "Hazardous properties" include radioactive, toxic or explosive properties;
2. "Nuclear material" means "source material", "special nuclear material" or "by-product material";
3. "Source material", "special nuclear material" and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
4. "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";
5. "Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".
6. "Nuclear facility" means:
 - a. Any "nuclear reactor";
 - b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", (3) or handling, processing or packaging "waste";
 - c. Any equipment or device used for the processing, fabricating or alloying of "special nuclear materials", 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 con-

ducted on such site and all premises used for such operations;

- 7. "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;
- 8. "Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLLUTANT EXCLUSION - OTHER THAN AUTO

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION I - COVERAGE, B. Exclusions (and in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made only: Subparagraph 1.) is modified as follows:

Exclusion **17. Pollutant - Other Than Auto** (Exclusion **1.q.** in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made) is hereby deleted and replaced by the following:

Pollutant - Other Than Auto

This insurance does not apply to:

- a. "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, emission or escape of "pollutants":
 - (1) 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.
 - (2) 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;
 - (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
 - (4) 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.

Subparagraphs **a.(1)** and **a.(4)** do not apply:

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

- (b) If insurance is provided to the insured by "underlying insurance" specifically listed in the Schedule of Underlying Insurance at the "underlying limit" scheduled, but only to the extent "bodily injury" or "property damage" coverage is provided by that "underlying insurance" specifically listed in the Schedule of Underlying Insurance and subject to all its terms and conditions.

- (5) 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".

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

- c. Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

- (2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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.

- d. Any liability caused by "pollutants" excluded by "underlying insurance".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO LIABILITY LIMITATION

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION I - COVERAGE, B. Exclusions (and in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made only: Subparagraph **1.**) is modified to add the following:

This insurance does not apply to:

Any liability arising out of the ownership, maintenance, occupancy, operation, use, "loading or unloading" of any "auto", unless such liability is covered by valid and collectible "underlying insurance" as listed in the Schedule of Underlying Insurance and then only for such hazards for which coverage is afforded by such "underlying insurance".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION I - COVERAGE, B. Exclusions (and in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made only: Subparagraph 1.) is modified to delete Exclusion **10. Electronic Data** in its entirety and replace it with the following:

This insurance does not apply to:

10. Access or Disclosure of Confidential or Personal Information and Data-Related Liability

Any liability arising out of:

- a.** 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
- b.** 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 **a.** or **b.** above.

However, this exclusion does not apply:

- (1)** To damages because of "bodily injury", unless Paragraph **a.** above applies; and
- (2)** When such insurance is provided by valid and collectible "underlying insurance" listed in the Schedule of Underlying Insurance, or would have been provided by such listed "underlying insurance" except for the exhaustion by payment of claims of its limits of insurance, and then only for such hazards for which coverage is provided by such "underlying insurance", unless otherwise excluded by this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

- A.** With respect to a "covered auto" subject to Michigan no-fault law, the following exclusion is added to **SECTION 1 - COVERAGE, B. Exclusions:**

This insurance does not apply to:

"Property damage" to a motor vehicle caused by an "occurrence" in Michigan.

- B.** The paragraph relating to prejudgment interest in **Defense and Supplementary Payments (Section I)** is replaced by the following:

Prejudgment interest awarded against the insured on that part of the judgment we become obligated to pay.

- C.** With respect to Condition **4. Duties in the Event of Occurrence, Claim or Suit (Section IV):**

- 1.** Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
- 2.** The reference to Paragraph **d.** is amended to read Paragraph **e.**
- 3.** The following is added:
 - d.** Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

- 4.** The following provision applies to Claims-Made Coverage under the:

PROFESSIONAL UMBRELLA LIABILITY COVERAGE FORM - CLAIMS-MADE:

Subsequent to full compliance of all of the terms of this condition, we shall provide the first Named Insured, on a quarterly basis, information indicating any impairment or reduction of the available limit of insurance and the balance of the limit of insurance yet remaining.

- D.** Condition **14. When We Renew (Section IV)** is hereby added as follows:

14. When We Renew

Renewal of the policy automatically extends the coverage and reporting period of previous terms.

- E. SECTION VI - EXTENDED REPORTING PERIODS** in the:

PROFESSIONAL UMBRELLA LIABILITY COVERAGE FORM - CLAIMS-MADE;

is amended by the addition of the following:

Any Extended Reporting Period will immediately terminate on the effective date and hour of any other insurance issued to you which replaces this insurance. If you notify us of the effective date of the other insurance, we will send you a refund of any pro rata unearned premium.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MOBILE EQUIPMENT SUBJECT TO MOTOR VEHICLE
INSURANCE LAWS - LIMITATION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION I - COVERAGE, B. Exclusions (and in the Professional Umbrella Liability Coverage Part and the Professional Umbrella Liability Coverage Part - Claims-Made only: Subparagraph **1.**) is modified to add the following:

This insurance does not apply to:

Any liability arising out of the ownership, maintenance, occupancy, operation, use, "loading or unloading" of any land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law, unless such liability is covered by valid and collectible "underlying insurance" as listed in the Schedule of Underlying Insurance, and then only for such hazards for which coverage is afforded by such "underlying insurance", unless otherwise excluded by this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**OFFICE OF FOREIGN ASSETS CONTROL (OFAC)
COMPLIANCE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART
PROFESSIONAL UMBRELLA LIABILITY COVERAGE PART - CLAIMS-MADE**

SECTION - IV CONDITIONS is amended to include the following:

Office of Foreign Assets Control (OFAC) Compliance

Whenever insurance coverage provided by this policy would be in violation of any United States economic or trade sanctions, such insurance coverage shall be null and void.



**The Cincinnati Insurance Company
The Cincinnati Casualty Company
The Cincinnati Indemnity Company**

Policy Number: ECP 034 21 08

Effective Date: 08-01-2018

Named Insured: MITCHELL MILAN DDS D/B/A BIRMINGHAM CENTER FOR COSMETIC DENTISTRY

For professional advice and policy questions or changes, please contact your local independent agency:

EMERSON-PREW, INC.
30600 TELEGRAPH RD STE 3110
BINGHAM FARMS, MI 48025-4589

248-642-5900

Dear Policyholder:

Thank you

Thank you for trusting The Cincinnati Insurance Companies with your commercial insurance coverage. We recognize that locally based independent agents have the working knowledge to help you choose the right insurance company for your needs. Together with your local independent insurance agency, we are committed to providing you with the highest level of service.

Please review your enclosed policy information to verify your coverage details, as well as deductibles and coverage amounts. Should your needs change, your agent is available to review and update your policy.

Please promptly report claims

If you experience a policy-related loss, you may report it by contacting your local professional independent agency representing The Cincinnati Insurance Companies or by directly calling us toll-free at **877-242-2544** and providing your policy number and claim-related information.

Sincerely,

Steve Spray
Senior Vice President - Commercial Lines

NOTICE TO POLICYHOLDERS

DIRECT BILL ACCOUNT CREDIT PROCEDURE

This is a notice of how an account credit will be applied to your policy or to all of the policies being billed as single account.

Account Credits

- A.** If your account is comprised of **a single policy** and an endorsement or premium audit results in a credit (return premium), the credit is applied to that policy. If your account does not have a future installment due at the time the endorsement or audit is processed, the credit is refunded to the payor listed for your account. If you do not wish for credits to be automatically applied to future unpaid installments, please contact us to request a refund. Please note that the amount of the refund may vary based upon the date you contact us and your billing schedule.
- B.** If your account is comprised of **more than one policy** and an endorsement or premium audit results in a credit (return premium), the credit is applied in the following manner:
- Payments previously applied to your account are deferred.
 - The credit that results from the endorsement or audit is applied to the policy generating the credit.
 - The payments that were deferred are then reapplied to the account in order to satisfy the amount due.
 - Any excess payment that results from the credit is applied proportionately to your policies with a future payment or installment due.
 - If you do not wish for credits to be automatically applied to future unpaid installments, please contact us to request a refund. Please note that the amount of the refund may vary based upon the date you contact us and your billing schedule.
 - If your account does not have a future installment or payment due at the time the endorsement or audit is processed, the credit is refunded to the payor listed for your account.

(Does not apply to audit return premium for payors located in New York; Does not apply to premiums due more than 30 days from the date of processing for payors located in New Hampshire. These credits are automatically refunded to the payor)

To request a refund, contact us at:

Mailing Address

The Cincinnati Insurance Company
PO Box 14529
Cincinnati, OH 45250-0529

Toll free phone number

877-942-2455

Electronic mail

CinciBill@cinfin.com

DISCLOSURE OF DIRECT BILL FEES AND CHARGES

NO COVERAGE IS PROVIDED BY THIS DISCLOSURE, nor can it be construed to replace any provision of your policy. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE CAREFULLY for complete information on the coverages provided.

Your insurance premium is being paid directly to us rather than to your insurance agency. We appreciate your prompt payment of the premium. Please note that these fees apply only in the event your payment is late, is returned to us for insufficient funds, or if your policy was previously canceled for nonpayment of premium and has been reinstated at either your or your agents request. We are not required to reinstate a policy once cancellation for nonpayment of premium has become effective. The decision to reinstate coverage is solely at the discretion of the company.

Not all fees are applicable in all states. The types of fees are listed below. Following the description of each fee, we list the states where the fee applies and the amount of the fee. Fees are not levied in KY, MD, MT and NC.

Non-Sufficient Funds (NSF) Charge: The first time a premium payment is returned due to Non-Sufficient Funds (NSF), the premium due is the installment amount. For each succeeding return of payment while continuously insured with The Cincinnati Insurance Companies, a charge is added to your next account statement. The amount of the charge is determined by the fees filed with and approved by the state where the payor of your account is located.

\$10 AK, FL, NJ, RI, and SC;

\$15 MA;

\$20 NY; and

\$25 AL, AZ, AR, CA, CO, CT, DE, DC, GA, HI, ID, IL, IN, IA, KS, LA, ME, MI, MN, MS, MO, NE, NV, NH, NM, ND, OH, OK, OR, PA, SD, TN, TX, UT, VT, VA, WA, WI, WV and WY.

Reinstatement Charge: The first time your account is reinstated for nonpayment of premium, the premium due is the installment amount. For each succeeding reinstatement due to nonpayment of premium while continuously insured with The Cincinnati Insurance Companies, a charge is added to your next account statement. The amount of the charge is determined by the fees filed with and approved by the state where the payor of your account is located.

\$10 AK, RI, and SC;

\$15 MA;

\$20 NY; and

\$25 AL, AZ, AR, CA, CO, CT, DE, DC, GA, HI, ID, IL, IN, IA, KS, LA, ME, MI, MN, MS, MO, NE, NV, NH, NM, ND, OH, OK, OR, PA, SD, TN, TX, UT, VT, VA, WA and WY.

Late Charge: A charge is added to your next account statement each time your payment is received and processed after the due date as shown on the account statement. This fee will not apply to Electronic Funds Transfer (EFT). The amount of the charge is determined by the fees filed with and approved by the state where the payor of your account is located.

\$10 AK, FL, RI, and SC;

\$15 MA; and

\$25 AL, AZ, AR, CA, CO, CT, DE, DC, GA, HI, ID, IL, IN, IA, KS, LA, ME, MI, MN, MS, MO, NE, NV, NH, NM, ND, OH, OK, OR, PA, SD, TN, TX, UT, VT, VA, WA, WI and WY.

**THE
CINCINNATI INSURANCE COMPANIES**

☒ THE CINCINNATI INSURANCE COMPANY ☐ THE CINCINNATI INDEMNITY COMPANY
☐ THE CINCINNATI CASUALTY COMPANY

Named Insured: MITCHELL MILAN DDS D/B/A BIRMINGHAM CENTER FOR COSMETIC DENTISTRY

Policy Number: ECP 034 21 08 / EBA 034 21 08

Policy Period: 08-01-2018 to 08-01-2021

Effective Date of Change: 08-01-2019

Endorsement Number: 1

Agency Name: EMERSON-PREW, INC. 21-174
BINGHAM FARMS, MI

Explanation of Billing

A change was recently made to your policy with The Cincinnati Insurance Companies. Attached to this summary is the endorsement that amends your policy.

The additional premium for this endorsement is \$ NONE

This premium is for the time period of 08-01-2019 to 08-01-2020. You will receive a statement based on the payment option you have selected.

Please contact your agency if you have any questions concerning your policy or statement:

EMERSON-PREW, INC.
30600 TELEGRAPH RD STE 3110
BINGHAM FARMS, MI 48025-4589

248-642-5900

This is not a bill. No payment is necessary at this time.

THE CINCINNATI INSURANCE COMPANY


P.O. BOX 145496, CINCINNATI, OHIO 45250-5496

513-870-2000

A STOCK INSURANCE COMPANY

**AUTOMOBILE / GARAGE
RENEWAL CERTIFICATE****ATTACH THIS CERTIFICATE TO YOUR POLICY**

POLICY NUMBER	RENEWAL DATE	EXPIRATION DATE
EBA 034 21 08	08-01-2019	08-01-2020

NAMED INSURED**MITCHELL MILAN DDS D/B/A BIRMINGHAM CENTER FOR COSMETIC DENTISTRY****1044 SUFFIELD AVE****BIRMINGHAM, MI 48009-4623**This is a true and certified copy of the following
portions of the policy: Automobile Liability

 Jennifer Baker, Assistant Vice President
AGENCY**EMERSON-PREW, INC. 21-174****BINGHAM FARMS, MI**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY UNLESS OTHERWISE SPECIFIED,
THE ABOVE NUMBERED POLICY IS RENEWED FOR THE TERM SHOWN ABOVE.**COVERAGE PROVIDED****AUTOMOBILE - SEE SCHEDULE****PREMIUM****\$ REFER TO ICP101****FORMS APPLICABLE AT RENEWAL**

ICP513 07/11 CINCIPAK™ FOR DENTISTS COMMON POLICY DECLARATIONS
 ICP101 05/11 CINCIPAK™ SUMMARY OF PREMIUMS CHARGED
 AA505 03/06 BUSINESS AUTO COVERAGE PART DECLARATIONS

05-31-2019 10:21

Countersigned _____

(Date)

By _____

(Authorized Representative)

COMMON POLICY CONDITIONS

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

A. CANCELLATION

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

B. CHANGES

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

C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

D. INSPECTIONS AND SURVEYS

1. We have the right to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

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

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

E. PREMIUMS

The first Named Insured shown in the Declarations:

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

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

THE CINCINNATI INSURANCE COMPANY

CINCINNATI, OHIO

BUSINESS AUTO COVERAGE PART DECLARATIONS**ITEM ONE**Attached to and forming part of POLICY NUMBER: **EBA 034 21 08**

Named Insured is the same as it appears in the Common Policy Declarations.

ITEM TWO**SCHEDULE OF COVERAGES AND COVERED AUTOS**

This coverage part provides only those coverages where a premium or "incl" is shown in the premium column below. The limit of Insurance for each coverage listed is subject to all applicable policy provisions. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Business Auto Coverage Form next to the name of the coverage.

COVERAGES	COVERED AUTOS (Entry of one or more of the symbols from the COVERED AUTOS Section of the Business Auto Coverage Form shows which autos are covered autos)	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
LIABILITY	8, 9	\$ 1,000,000	INCL
PERSONAL INJURY PROTECTION (or equivalent No-fault coverage)		Separately stated in each P.I.P. endorsement minus \$	Ded.
ADDED PERSONAL INJURY PROTECTION (or equivalent added No-fault coverage)		Separately stated in each added P.I.P. endorsement	
PROPERTY PROTECTION INSURANCE (Michigan only)		Separately stated in each P. P.I. endorsement minus \$	Ded
AUTO. MEDICAL PAYMENTS		\$	
UNINSURED MOTORISTS		\$	
UNDERINSURED MOTORISTS (When not included in Uninsured Motorists Coverage)		\$	
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE		Actual cash value or cost of repair, Whichever is less minus \$ Ded. For each covered auto. But no Deductible applies to loss caused by Fire or lightning. See Item Three for hired or borrowed "autos"	
PHYSICAL DAMAGE SPECIFIED CAUSES OF LOSS COVERAGE		Actual cash value or cost of repair, Whichever is less minus \$	Ded. For Each covered auto. For loss caused by mischief or vandalism. See Item Three for hired or borrowed "autos"
PHYSICAL DAMAGE COLLISION COVERAGE		Actual cash value or cost of repair, Whichever is less minus \$ Ded for each covered auto. See Item Three for hired or borrowed "autos".	
PHYSICAL DAMAGE INSURANCE TOWING AND LABOR		\$	for each disablement of a private passenger auto
PREMIUM FOR ENDORSEMENTS			INCL
*ESTIMATED TOTAL PREMIUM			

FORMS AND ENDORSEMENTS CONTAINED IN THIS COVERAGE PART AT ITS INCEPTION:

AA4183 02/06 AUTOMOBILE SCHEDULE

AA101 03/06 BUSINESS AUTO COVERAGE FORM

AA2009 01/17 CHANGES - TOWING AND LABOR

AA296 07/12 CHANGES - AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE

Includes copyrighted material of Insurance

Services Office, Inc., with its permission. EBA 034 21 08

FORMS AND ENDORSEMENTS CONTAINED IN THIS COVERAGE PART AT ITS INCEPTION:

AA4263	04/10	OFFICE OF FOREIGN ASSETS CONTROL (OFAC) COMPLIANCE ENDORSEMENT
CA0110	08/97	MICHIGAN CHANGES
CA0217	12/90	MICHIGAN CANCELLATION AND NONRENEWAL CHANGES

* This policy may be subject to final audit

QUICK REFERENCE

COMMERCIAL AUTO COVERAGE PART

BUSINESS AUTO COVERAGE FORM

READ YOUR POLICY CAREFULLY

DECLARATIONS PAGES

Named Insured and Mailing Address
 Policy Period
 Description of Business
 Coverages and Limits of Insurance

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AUTOMOBILE SCHEDULE**ITEM THREE**

Attached to and forming a part of Policy Number EBA 034 21 08 , effective 08-01-2019

The insurance afforded for any automobile is only with respects to such and so many of the coverages as are indicated by specific premium charge or charges indicated.

POLICY LIMITSState: MI

Bodily Injury: 1,000,000 CSL

Property Damage: INCLUDED

Veh.

No. Vehicle Information

HIRED AND NON-OWNED

Class:

Territory

OTC-COMP DED: N/A

Coll Ded: N/A

BI INCL	PD INCL	MP N/A	OTC N/A	COLL N/A	UM N/A	TOTAL INCL
------------	------------	-----------	------------	-------------	-----------	---------------

SYMBOLS:

BI -- Bodily Injury

PD -- Property Damage

MP -- Medical Payments

OTC -- Other Than Collision (ACV Coverage applies unless Stated Amount Value is indicated)

CAC -- Combined Additional Coverage

FT&S -- Fire, Theft, and Supplemental

SPEC -- Specified Perils

COLL -- Collision

UM -- Uninsured Motorists

UIM -- Underinsured Motorists

PIP -- Personal Injury Protection

T&L -- Towing and Labor Costs

RR -- Rental Reimbursement

BUSINESS AUTO COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS**.

SECTION I - COVERED AUTOS

ITEM TWO of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description of Covered Auto Designation Symbols

SYMBOL	DESCRIPTION
--------	-------------

- | | |
|-----|---|
| 1 = | ANY "AUTO". |
| 2 = | OWNED "AUTOS" ONLY. Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins. |
| 3 = | OWNED PRIVATE PASSENGER "AUTOS" ONLY. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins. |
| 4 = | OWNED "AUTOS" OTHER THAN PRIVATE PASSENGER "AUTOS" ONLY. Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins. |
| 5 = | OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged. |
| 6 = | OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those "autos" you own that because of the law in the state where |

they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.

- 7 = SPECIFICALLY DESCRIBED "AUTOS". Only those "autos" described in ITEM THREE of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to a power unit described in ITEM THREE).
- 8 = HIRED "AUTOS" ONLY. Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your "employees" or partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
- 9 = NONOWNED "AUTOS" ONLY. Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.

B. Owned Autos You Acquire After the Policy Begins

1. If Symbols 1, 2, 3, 4, 5, or 6 are entered next to a coverage in ITEM TWO of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol 7 is entered next to a coverage in ITEM TWO of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces

an "auto" you previously owned that had that coverage; and

- b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment and Temporary Substitute Autos

If Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.

2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

SECTION II - LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who is an Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a cov-

ered "auto". This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
- (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
- (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
- (5) A partner (if you are a partnership), or a member (if you are a limited liability company), for a covered "auto" owned by him or her or a member of his or her household.
- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for the cost of bail bonds (including bonds for related traffic law violations) re-

quired because of an "accident" we cover. We do not have to furnish these bonds.

- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All costs taxed against the "insured" in any "suit" against the "insured" we defend.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when 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 Insurance.

b. Out-of-State Coverage Extensions

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected or Intended Injury

"Bodily injury" or "property damage" which may reasonably be expected to result from the intentional or criminal acts of the "insured" or which is in fact expected or intended by the "insured", even if the injury or damage is of a different degree or type than actually expected or intended. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. 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; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification and Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" sustained in the "workplace";
- b. An "employee" of the "insured" arising out of the performance of duties related to the conduct of the "insured's" business; or
- c. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. or b. above.

This Exclusion applies:

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

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract" other than a contract or agreement with a labor leasing firm. For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

6. Care, Custody or Control

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. Movement of Property by Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

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

- a. Any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, 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 ve-

hicle insurance law where it is licensed or principally garaged.

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

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

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraphs **a.** or **b.** above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

11. Pollutant

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

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or

- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** of this exclusion does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment".

However, this exception to Paragraph **a.** does not apply if the fuels, lubricants, fluids, exhaust gases or other similar "pollutants" are intentionally discharged, dispersed or released.

Paragraphs **b.** and **c.** of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release, emission or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- 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:

- (1) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such "insured", contractor or subcontractor; or
- (2) 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".

Subparagraph **d.(1)** does not apply to "bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such "insured", contractor or subcontractor.

12. War

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

- a. War, including undeclared or civil war;
- 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.

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This

insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

D. Mobile Equipment Subject to Motor Vehicle Insurance Laws

As respects **SECTION II - LIABILITY COVERAGE** any land vehicle, which would qualify as "mobile equipment", except that it is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged, is considered a covered "auto" under **SECTION II - LIABILITY COVERAGE**, irrespective of the Auto Designation Symbols shown for **SECTION II - LIABILITY COVERAGE** in the Declarations.

SECTION III - PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

b. Specified Causes of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. Collision Coverage

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs

incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

a. Transportation Expenses

We will also pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered

"auto" is returned to use or we pay for its "loss".

in hindering or defending against any of these.

b. Loss of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver, under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes of Loss only if the Declarations indicate that Specified Causes of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. Exclusions

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War or 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

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. 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:

- a. Wear and tear, freezing, mechanical or electrical breakdown; or
- b. Blowouts, punctures or other road damage to tires.

4. We will not pay for "loss" to any of the following:

- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
- b. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.
- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.
- d. Any accessories used with the electronic equipment described in Paragraph c. above.

Exclusions 4.c. and 4.d. do not apply to:

- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or such equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or
- b. Any other electronic equipment that is:

- (1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
- (2) An integral part of the same unit housing any sound reproducing equipment described in Paragraph a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.

- 5. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limit of Insurance

- 1. 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 the "loss"; or

- b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
- 2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
- 3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. 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 shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

SECTION IV - BUSINESS AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal for Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

2. Duties in the Event of Accident, Claim, Suit or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:

- (1) How, when and where the "accident" or "loss" occurred;
- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:
 - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
 - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
 - (4) Authorize us to obtain medical records or other pertinent information.
 - (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

c. If there is "loss" to a covered "auto" or its equipment you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment - Physical Damage Coverages

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Cov-

erage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation or Fraud

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

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If within 60 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will automatically apply to this Coverage Part as of the latter of:

- a. The date we implemented the change in your state; or
- b. The date this Coverage Part became effective; and

will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

4. No Benefit to Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this Coverage Form provides for the "trailer" is:

(1) Excess while it is connected to a motor vehicle you do not own.

(2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an "insured contract".
- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the Policy Period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico;
- d. Canada; and
- e. Anywhere in the world if:

(1) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and

(2) The "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two or More Coverage Forms or Policies Issued by Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION V - DEFINITIONS

A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

B. "Auto" means:

1. A land motor vehicle, "trailer" or semi-trailer designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

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

D. "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that the "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
2. Any 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".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or emission of "pollutants":

a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "insured";
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto"; or

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place

where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

(1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and

(2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** or **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

(1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

(2) The discharge, dispersal, seepage, migration, release, escape or emission of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".

F. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

G. "Insured" means any person or organization qualifying as an insured in the Who is an Insured provision of the applicable coverage.

Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

H. "Insured contract":

1. Means:

- a.** A lease of premises;
- b.** A sidetrack agreement;
- c.** An 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.** 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 to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
- f.** That part of any other contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

2. Does not include that part of any contract or agreement:

- a.** 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; or
- b.** That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or

- c.** That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

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

- J.** "Loss" means direct and accidental loss or damage.

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

- 1.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- 2.** Vehicles maintained for use solely on or next to premises you own or rent;
- 3.** Vehicles that travel on crawler treads;
- 4.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a.** Power cranes, shovels, loaders, diggers or drills; or
 - b.** Road construction or resurfacing equipment such as graders, scrapers or rollers.
- 5.** Vehicles not described in Paragraphs **1.**, **2.**, **3.**, or **4.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a.** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b.** Cherry pickers and similar devices used to raise or lower workers.
- 6.** Vehicles not described in Paragraphs **1.**, **2.**, **3.**, or **4.** 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":
 - a.** Equipment designed primarily for:

- a.** Equipment designed primarily for:

- (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
 - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or 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 law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".
- L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum, petroleum products and their by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property or the environment regardless of whether injury or damage is caused directly or indirectly by the "pollutants" and whether:
 - 1. The "insured" is regularly or otherwise engaged in activities which taint or degrade the environment; or
 - 2. The "insured" uses, generates or produces the "pollutant".
 - M. "Property damage" means damage to or loss of use of tangible property.
 - N. "Suit" means a civil proceeding in which:
 - 1. Damages because of "bodily injury" or "property damage"; or
 - 2. A "covered pollution cost or expense",
 to which this insurance applies, are alleged.

"Suit" includes:

 - a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" 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 or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
 - O. "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.
 - P. "Trailer" includes semitrailer.
 - Q. "Workplace" means that place and during such hours to which the "employee" sustaining "bodily injury" was assigned by you, or any other person or entity acting on your behalf, to work on the date of the "accident".

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

- 1. The insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an "insured" under the policy is also an "insured" under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters 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 any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazard-

ous properties" of "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means "source material", "special nuclear material" or "byproduct material";

"Source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been

used or exposed to radiation in a "nuclear reactor";

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

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";
- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES - TOWING AND LABOR

This endorsement modifies insurance provided by the following:

BUSINESS AUTO COVERAGE FORM

With respect to the coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

1. **SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage, 2. Towing** is deleted in its entirety and replaced with:

2. **Towing**

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" is disabled. However, the labor must be performed at the place of disablement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES - AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE

This endorsement modifies insurance provided by the following:

BUSINESS AUTO COVERAGE FORM

With respect to the coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

1. SECTION III - PHYSICAL DAMAGE COVERAGE, B. Exclusions, 4. is deleted in its entirety and replaced with:

4. We will not pay for "loss" to any of the following:

- a.** Tapes, records, discs or similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
- b.** Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.
- c.** Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
- d.** Any accessories used with the electronic equipment described in Paragraph **c.** above.

Exclusions **4.c.** and **4.d.** do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- a.** Permanently installed in or upon the covered "auto";
- b.** Removable from a housing unit which is permanently installed in or upon the covered "auto";
- c.** An integral part of the same unit housing any electronic equipment described in Paragraphs **a.** and **b.** above; or
- d.** Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

2. SECTION III - PHYSICAL DAMAGE COVERAGE, C. Limits of Insurance, 1. is deleted in its entirety and replaced with:

1. The most we will pay for:

- a.** "Loss" to any covered "auto" is the lesser of;

- (1)** The actual cash value of the damaged or stolen property as of the time of the "loss"; or
- (2)** The cost of repairing or replacing the damaged or stolen property with other property of like kind or quality.

- b.** All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss", is up to \$1,000, if, at the time of "loss", such electronic equipment is:

- (1)** Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
- (2)** Removable from a permanently installed housing unit as described in Paragraph **b.1.** above; or
- (3)** An integral part of such equipment as described in Paragraphs **b.(1)** and **b.(2)** above.

3. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE ADDED LIMITS

The sub-limit in Paragraph **1.b.** above is in addition to the Limit of Insurance shown in the Schedule of the Audio, Visual and Data Equipment Coverage endorsement, if purchased.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OFFICE OF FOREIGN ASSETS CONTROL (OFAC) COMPLIANCE ENDORSEMENT

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM**

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions of the **BUSINESS AUTO COVERAGE FORM** and **SECTION V - GARAGE CONDITIONS, B. General Conditions** of the **GARAGE COVERAGE FORM** are amended to include the following:

Office of Foreign Assets Control (OFAC) Compliance

Whenever insurance coverage provided by this policy would be in violation of any United States economic or trade sanctions, such insurance coverage shall be null and void.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

For a covered "auto" licensed or principally garaged in, or for "garage operations" conducted in, Michigan, this endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM**

A. Changes in Liability Coverage

1. For a covered "auto" subject to the Michigan no-fault law, Liability Coverage does not apply to "property damage" to a motor vehicle caused by an "accident" "occurring" in Michigan.
2. Paragraph **1(d) (i) and (ii)** of the **Who is an Insured** provision in the Garage Coverage Form is replaced by the following:

Your customers, if your business is shown in the Declarations as an "auto" dealership, but only up to the compulsory or financial responsibility law limits where the covered "auto" is principally garaged.

B. Changes in Physical Damage Coverage

Any Physical Damage Coverage and any Rental Reimbursement Coverage provided by the policy do not apply to the extent that Property Protection Coverage benefits are available as required by Michigan law.

C. Changes in Conditions

1. The **Duties in the Event of Accident, Claim, Suit or Loss** Condition in the Business Auto, Truckers and Garage Coverage Forms is amended to:
 - a. Revise Paragraph **a.** to allow you, or anyone on your behalf, to provide the

notice necessary to satisfy this Condition.

- b. Add the following paragraph:

Failure to give you notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

2. The **Duties in the Event of Loss** Condition in the Business Auto Physical Damage Coverage Form is amended to:

- a. Revise Paragraph **a.** to allow you, or anyone on your behalf, to provide the notice necessary to satisfy this Condition.

- b. Add the following paragraph:

Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**MICHIGAN CANCELLATION AND NONRENEWAL CHANGES**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM**

If you are an individual and the covered "auto" you own is of the "private passenger type" and the policy covers fewer than five "autos," the CANCELLATION Common Policy Condition does not apply to that "auto." The following Condition applies instead:

ENDING THIS POLICY**A. Cancellation**

1. You may cancel the policy by mailing or delivering to us advance notice of cancellation.
2. When this policy is in effect less than 55 days and is not a renewal or continuation policy, we may cancel for any reason by mailing or delivering to you within this period written notice of cancellation at least 20 days before the effective date of cancellation. If we cancel for nonpayment of premium we will mail or deliver notice to you at least 10 days before the effective date of cancellation.
3. When this policy is in effect 55 days or more or is a renewal or continuation policy, we may cancel only for one or more of the reasons listed below. If we cancel for nonpayment of premium, we will mail you at least 10 days notice. If we cancel for any other reason, we will mail you at least 30 days notice.
 - a. Nonpayment of premium.
 - b. The named "insured" or any other operator who either resides in the same household or customarily operates an "auto" has had his or her driver's license suspended during the policy period and the revocation or suspension has become final.
 - c. If during the first 55 days after the original issue date of the policy the risk is unacceptable to us.

But if this policy has been written for a period of more than a year or without a fixed expiration date, we may cancel at an anniversary of its original effective date for any reason. If we cancel, we will mail or deliver to you at least 30 days written notice.

4. Notice of cancellation will state the effective date of cancellation.
5. If this policy is cancelled, we will send you any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. Non-Renewal

1. If we decide not to renew or continue this policy we will mail or deliver to you written notice at least 30 days before the end of the policy period. 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.
2. If we fail to mail or deliver proper notice of non-renewal and you obtain other insurance this policy will end on the effective date of that insurance.

C. Mailing of Notices

We will mail by certified mail our notice of cancellation to your last mailing address known to us, except that if the policy is in effect less than 55 days or is a renewal policy or is cancelled for non-payment of premium, we will mail you notice by regular mail. If notice is mailed, proof of mailing will be sufficient proof of notice.

For all other "private passenger types," the CANCELLATION Common Policy Condition does not apply to LIABILITY COVERAGE on a covered "auto" of the "private passenger type." The following Condition applies instead:

ENDING THIS POLICY**A. Cancellation**

1. You may cancel the policy by mailing or delivering to us advance notice of cancellation.
2. When this policy is in effect less than 55 days and is not a renewal or continuation policy, we may cancel for any reason by mailing or delivering to you within this period written notice of cancellation at least 20 days before the effective date of cancellation. If we cancel for nonpayment of premium we will mail or deliver notice to you at least 10 days before the effective date of cancellation.
3. When this policy is in effect 55 days or more or is a renewal or continuation policy, we may cancel only for one or more of the reasons listed below. If we cancel for nonpayment of premium, we will mail you at least 10 days notice. If we cancel for any

other reason, we will mail you at least 20 days notice.

- a. Nonpayment of premium.
- b. The named "insured" or any other operator who either resides in the same household or customarily operates an "auto" has had his or her driver's license suspended during the policy period and the revocation or suspension has become final.
- c. If during the first 55 days after the original issue date of the policy the risk is unacceptable to us.

But if this policy has been written for a period of more than a year or without a fixed expiration date, we may cancel at an anniversary of its original effective date for any reason. If we cancel, we will mail or deliver to you at least 20 days written notice.

- 4. Notice of cancellation will state the effective date of cancellation.
- 5. If this policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is

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

B. Non-Renewal

- 1. If we decide not to renew or continue this policy we will mail or deliver to you written notice at least 20 days before the end of the policy period. 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.
- 2. If we fail to mail or deliver proper notice of non-renewal and you obtain other insurance this policy will end on the effective date of that insurance.

C. Mailing of Notices

We will mail by certified mail our notice of cancellation to your last mailing address known to us, except that if the policy is in effect less than 55 days or is a renewal policy or is cancelled for non-payment of premium, we will mail you notice by regular mail. If notice is mailed, proof of mailing will be sufficient proof of notice.

Exhibit B



The Cincinnati Insurance Company ■ The Cincinnati Indemnity Company
The Cincinnati Casualty Company ■ The Cincinnati Specialty Underwriters Insurance Company
The Cincinnati Life Insurance Company

Jerry E. Brooks
Senior Claims Specialist

June 8, 2020

MITCHELL MILAN DDS
1044 SUFFIELD AVENUE
BIRMINGHAM, MI 48009-4623

milandds@gmail.com

VIA EMAIL AND U.S. MAIL

Re: **Insured:** Mitchell Milan DDS dba Birmingham Center for Cosmetic Dentistry
Policy No.: ECP 0342108
Claim No.: 3535848
Date of Loss: 03/20/2020

Dear Dr. Milan:

This letter provides Cincinnati Insurance Company's ("Cincinnati") coverage decision for the above-referenced claim made by Mitchell Milan DDS dba Birmingham Center for Cosmetic Dentistry. As submitted, the claim involves the Novel Coronavirus known as SARS-CoV-2, which causes the viral infection known as COVID-19 ("Coronavirus"). The claim asserts a loss of income due to the COVID19 shutdown ordered by the Governor. Cincinnati has determined that coverage is unavailable for the claimed loss. Cincinnati regrets that this decision is necessary and wants to describe the basis for its decision. Should you have any disagreement with the basis for this decision, Cincinnati invites you to state the reasons for your disagreement in writing, including by submitting any additional information or documentation. Cincinnati will consider any further information or documents you may supply.

I. SUMMARY

The Cincinnati policy provides coverage for direct physical loss or damage to Covered Property at the premises. This direct physical loss or direct physical damage must be to property at the covered premises. Cincinnati's investigation has found no evidence of direct physical loss or damage at your premises. Similarly, there is no evidence of damage to property at other locations, precluding coverage for orders of civil authority.

Nothing in this letter is a waiver of any rights available to Cincinnati under the policy or applicable law. Cincinnati reserves the right to rely on additional rights and/or language in the policy whether or not discussed in this letter.

II. THE CINCINNATI POLICY

Cincinnati issued policy number ECP 0342108 to Mitchell Milan DDS dba Birmingham Center for Cosmetic Dentistry (the "Policy"). The Policy's effective dates are from August 1, 2018 to August 1, 2021. The Commercial Property Coverage provides limits of insurance for Business Personal Property with a limit of \$130,000.00. There is also Business Income with Extra Expense up to twelve (12) months Actual Loss Sustained. A \$1,000.00 deductible for property damage is applicable.

III. BACKGROUND

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Jerry_Brooks@cinfin.com ■ Phone: (616) 302-2373, Fax (833) 283-3523

Mitchell Milan DDS dba
Birmingham Center for Cosmetic Dentistry
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Cincinnati insurance first received notice of your claim from a report sent by you dated April 13, 2020 through your agent, Emerson-Prew, Inc. We reached out to you that same day and the reservation of rights letter requesting information regarding the claim was sent on April 16, 2020. We spoke via email on May 11, 2020 and you provided another email on May 13, 2020. This was followed up with another email on June 4, 2020. You noted the practice had been forced to close as a result of the Governor's Executive Orders. You noted that the reason you were unable to access your practice was due to the Executive Orders.

IV. NO COVERAGE UNDER THE POLICY FOR LOSS OF INCOME DUE TO CORONAVIRUS

A. No Direct Physical Loss

The Policy's insuring agreement at Section A. Coverage provides the following coverage:

We will pay for direct "loss" to Covered Property at the "premises" caused by or resulting from any Covered Cause of Loss.

(FM 101 05 16 at p. 3.) The Policy defines "loss" as "accidental physical loss or accidental physical damage." (FM 101 05 16 at p. 38.) The Policy defines "premises" as "the Locations and Buildings described in the Declarations." (FM 101 05 16 at p. 39.)

This claim does not satisfy the Policy's insuring agreement. The claim does not involve direct, physical loss to property at your premises caused by a Covered Cause of Loss. .

Although you have asserted that Coronavirus was potentially present at your premises via customers, employees or visitors, that presence alone is not direct physical loss to property. You have not shown any direct physical loss to property, as required by the Policy.

Accordingly, the Policy's insuring agreement is not met, and coverage is unavailable under the Policy.

B. No Business Income and Extra Expense Coverage

The Policy's Coverage Extensions section contains provisions for Business Income and Extra Expense coverage, included in Form FM 101 05 16:

(1) Business Income

We will pay for the actual loss of "Business Income" and "Rental Value" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct "loss" to property at a "premises" caused by or resulting from any Covered Cause of Loss. With respect to "loss" to personal property in the open or personal property in a vehicle or portable storage unit, the "premises" include the area within 1,000 feet of the building or 1,000 feet of the "premises", whichever is greater.

With respect to the requirements of the preceding paragraph, if you are a tenant and occupy only part of the site at which the "premises" are located, for the purpose of this Coverage Extension only, your "premises" is the portion of the building that you rent, lease or occupy, including:

- (a)** Any area within the building or on the site at which the "premises" are located if that area services or is used to gain access to the "premises"; and

Mitchell Milan DDS dba
Birmingham Center for Cosmetic Dentistry
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- (b) Your personal property in the open (or in a vehicle or portable storage unit) within 1,000 feet of the building or 1,000 feet of the "premises", whichever is greater.

(2) Extra Expense

- (a) We will pay Extra Expense you sustain during the "period of restoration". Extra Expense means necessary expenses you sustain (as described in Paragraphs (2)(b), (c) and (d)) during the "period of restoration" that you would not have sustained if there had been no direct "loss" to property caused by or resulting from a Covered Cause of Loss.
- (b) If these expenses reduce the otherwise payable "Business Income" "loss", we will pay expenses (other than the expense to repair or replace property as described in Paragraph (2)(c)) to:
- 1) Avoid or minimize the "suspension" of business and to continue "operations" either:
 - a) At the "premises"; or
 - b) At replacement "premises" or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location; or
 - 2) Minimize the "suspension" of business if you cannot continue "operations".
- (c) We will also pay expenses to:
- 1) Repair or replace property; or
 - 2) Research, replace or restore the lost information on damaged "valuable papers and records";
- but only to the extent this payment reduces the otherwise payable "Business Income" "loss". If any property obtained for temporary use during the "period of restoration" remains after the resumption of normal "operations", the amount we will pay under this Coverage will be reduced by the salvage value of that property.
- (d) Extra Expense does not apply to "loss" to Covered Property as described in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**.

(Form FM 101 05 16 at pp. 18-19, 21.)

Additionally, the Policy at Form FA 213 05 16 provides separate Business Income and Extra Expense coverage provisions:

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 "loss" to property at "premises" which are described in the Declarations and for which a "Business Income" Limit of Insurance is shown in the Declarations. The "loss" must be caused by or result from a Covered Cause of Loss. With respect to "loss" to personal property in the open (or personal property in a vehicle or portable storage unit), the "premises" include the area

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within 1,000 feet of the building or 1,000 feet of the "premises", whichever distance is greater.

- b. With respect to the requirements set forth in the preceding paragraph, if you are a tenant and occupy only part of the site at which the "premises" are located, for the purposes of this Coverage Part only, your "premises" is the portion of the building which you rent, lease or occupy, including:

- (1) Any area within the building or on the site at which the "premises" are located if that area services or is used to gain access to the described "premises".
- (2) Your personal property in the open (or in a vehicle or portable storage unit) within 1,000 feet of the building or 1,000 feet of the "premises", whichever distance is greater.

2. Extra Expense

- a. Extra Expense coverage is provided at the "premises" described in the Declarations only if the Declarations show that "Business Income" coverage applies at that "premises".
- b. Extra Expense means necessary expenses you sustain (as described in Paragraphs **2.c.**, **d.** and **e.**) during the "period of restoration" that you would not have sustained if there had been no direct "loss" to property caused by or resulting from a Covered Cause of Loss.
- c. If these expenses reduce the otherwise payable "Business Income" "loss", we will pay expenses (other than the expense to repair or replace property as described in Paragraph **2.d.**) to:
- (1) Avoid or minimize the "suspension" of business and to continue "operations" either:
 - (a) At the "premises"; or
 - (b) At replacement "premises" or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location; or
 - (2) Minimize the "suspension" of business if you cannot continue "operations".
- d. We will also pay expenses to:
- (1) Repair or replace property; or
 - (2) Research, replace or restore the lost information on damaged "valuable papers and records"

but only to the extent this payment reduces the otherwise payable "Business Income" "loss". If any property obtained for temporary use during the "period of restoration" remains after the resumption of normal "operations", the amount we will pay under this Coverage Form will be reduced by the salvage value of that property.

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- e. Extra Expense as described in Paragraphs 2.a. thru 2.d. does not apply to "loss" to Covered Property as described in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**.

(FA 213 05 16 at pp.1-2.)

Like the Policy's insuring agreement, the Business Income and Extra Expense coverages require that there be direct physical loss or damage to Covered Property at the premises or within 1,000 feet of those premises. There is no evidence of any such physical loss or damage. Accordingly, the Business Income and Extra Expense requirements are not satisfied and coverage is unavailable under the Policy.

C. Pollution Exclusion

For the reasons stated above, there is no coverage here because there was no direct physical loss at the premises. But, even assuming that there was direct physical loss, there was no covered cause of loss. This is because the Policy's Exclusions section at FM 101 05 16 excludes from coverage any "loss" caused by or resulting from:

(I) Pollutants

Discharge, dispersal, seepage, migration, release, escape or emission of "pollutants" unless the discharge, dispersal, seepage, migration, release, escape or emission is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release, escape or emission of "pollutants" results in a "specified cause of loss", we will pay for the "loss" caused by that "specified cause of loss".

(FM 101 05 16 at pp. 8, 10.)

The Policy defines "pollutants" as

any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, asbestos, chemicals, petroleum, petroleum products and petroleum by-products, and waste. . . . 'Pollutants' include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property, or the environment regardless of whether injury or damage is caused directly or indirectly by the 'pollutants'

(FM 101 05 16 at p. 39.)

The Coronavirus is a solid irritant or contaminant. Moreover, the government generally recognizes the Coronavirus as harmful to people. Accordingly, to the extent the Policy's insuring agreement was otherwise satisfied, coverage would ultimately be excluded because under the Pollutants exclusion there was no covered cause of loss.

D. No Civil Authority Coverage

The Policy's Coverage Extensions section contains provisions for Civil Authority coverage, included in Form FM 101 05 16:

When a Covered Cause of Loss causes damage to property other than Covered Property at a "premises", we will pay for the actual loss of "Business Income" and necessary Extra

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Expense you sustain caused by action of civil authority that prohibits access to the "premises", provided that both of the following apply:

- (a)** Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage; and
- (b)** 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.

This Civil Authority coverage for "Business Income" will begin immediately after the time of that action and will apply for a period of up to 30 days from the date of that action.

This Civil Authority coverage for Extra Expense will begin immediately after the time of that action and will end:

- 1)** 30 consecutive days after the time of that action; or
 - 2)** When your "Business Income" coverage ends;
- whichever is later.

(Form FM 101 05 16 at pp. 19, 21.)

Additionally, the Policy at Form FA 213 05 16 provides separate Civil Authority coverage provisions:

When a Covered Cause of Loss causes direct damage to property other than Covered Property at the "premises", we will pay for the actual loss of "Business Income" you sustain and necessary Extra Expense you sustain caused by action of civil authority that prohibits access to the "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
- (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 immediately after the time of the first action of civil authority that prohibits access to the "premises" and will apply for a period of up to 30 consecutive days from the date on which such coverage began.

Civil Authority coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the "premises" and will end 30 consecutive days after the date of that action; or when your Civil Authority coverage for "Business income" coverage ends, whichever is later.

(FA 213 05 16 at p. 2.)

Although you closed your business in response to a governmental order, there is no evidence that the order was entered because of direct damage to property at other locations or dangerous physical

Mitchell Milan DDS dba
Birmingham Center for Cosmetic Dentistry
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conditions at other locations. Moreover, the order does not restrict access to the area immediately surrounding your premises. Because these requisite elements of the Civil Authority coverage are not present here, coverage is unavailable under the Policy.

A. Pollutant Clean-Up Coverage

Form FCP 238 09 15 modifies the Policy to provide the following additional coverage for Medical or Dental Office Pollutant Clean-Up:

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

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

The most we will pay under this Additional Coverage for each "premises" is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss during each "coverage term". This is in addition to the Limits of Insurance shown in the Declarations.

(FCP 238 09 15.)

The Policy defines "Covered Causes of Loss" to mean "direct 'loss' unless the 'loss' is excluded or limited in this Coverage Part." (FM 101 05 16 at p. 5.) "Loss" is defined as "accidental physical loss or accidental physical damage." (FM 101 05 16 at p. 38.) Thus, a covered cause of loss must be a direct, accidental, physical loss or damage.

As discussed above, the presence of the Coronavirus does not qualify as direct physical loss and there is no coverage. To the extent this coverage applied, it would not apply to expenses incurred to test for or establish the existence of Coronavirus at your premises. Furthermore, the most that is available under this additional coverage is \$10,000 for covered expenses.

V. CONCLUSION

For the reasons discussed above, Cincinnati has concluded that the Policy provides no coverage for your claim. Cincinnati therefore cannot indemnify Mitchell Milan DDS dba Birmingham Center for Cosmetic Dentistry for any loss of business income from Coronavirus.

You should note that the U.S. Small Business Administration ("SBA") may be providing assistance for citizens in your circumstances. I understand that the SBA's contact information is:

Website: <https://www.sba.gov/funding-programs/disaster-assistance>
Phone: 1-800-659-2955

This letter is not intended to be a limitation or waiver of any rights available to Cincinnati. Cincinnati's position is based on the information available to date. Cincinnati reserves all of its rights under the Policy

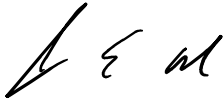
Mitchell Milan DDS dba
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and the applicable law. Cincinnati reserves the right to rely on any and all provisions of the Policy whether or not addressed in this letter.

If you have any information that you believe may impact any of the issues raised in this letter, please forward it to us as soon as possible. If you believe that we have misunderstood the facts or are in error regarding any of the statements set forth above, please notify us as soon as possible.

Please feel free to contact me if you have any questions or would like to discuss this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J E Brooks', is positioned above the typed name.

Jerry E. Brooks
Senior Claims Specialist

Cc: file, Emerson-Prew Inc (kblumenthal@epi-ins.com)

Exhibit C



FORMS - FILED

JULY 6, 2006

FROM: LARRY PODOSHEN, SENIOR ANALYST

COMMERCIAL PROPERTY

LI-CF-2006-175

NEW ENDORSEMENTS FILED TO ADDRESS EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This circular announces the submission of forms filings to address exclusion of loss due to disease-causing agents such as viruses and bacteria.

BACKGROUND

Commercial Property policies currently contain a pollution exclusion that encompasses contamination (in fact, uses the term *contaminant* in addition to other terminology). Although the pollution exclusion addresses contamination broadly, viral and bacterial contamination are specific types that appear to warrant particular attention at this point in time.

ISO ACTION

We have submitted forms filing CF-2006-OVBEF in all ISO jurisdictions and recommended the filing to the independent bureaus in other jurisdictions. This filing introduces new endorsement [CP 01 40 07 06](#) - Exclusion Of Loss Due To Virus Or Bacteria, which states that there is **no coverage for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.**

Note: In Alaska, District of Columbia, Louisiana*, New York and Puerto Rico, we have submitted a different version of this filing, containing new endorsement [CP 01 75 07 06](#) in place of CP 01 40. The difference relates to lack of implementation of the mold exclusion that was implemented in other jurisdictions under a previous multistate filing.

Both versions of CF-2006-OVBEF are attached to this circular.

* In Louisiana, the filing was submitted as a recommendation to the Property Insurance Association of Louisiana (PIAL), the independent bureau with jurisdiction for submission of property filings.

PROPOSED EFFECTIVE DATE

Filing CF-2006-OVBEF was submitted with a proposed effective date of January 1, 2007, in accordance with the applicable effective date rule of application in each state, with the exception of various states for which the insurer establishes its own effective date.

Upon approval, we will announce the actual effective date and state-specific rule of effective date application for each state.

RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- A new form is being introduced.

CAUTION

This filing has not yet been approved. If you print your own forms, do not go beyond the proof stage until we announce approval in a subsequent circular.

RELATED RULES REVISION

We are announcing in a separate circular the filing of a corresponding rules revision. Please refer to the **Reference(s)** block for identification of that circular.

REFERENCE(S)

[LI-CF-2006-176](#) (7/6/06) - New Additional Rule Filed To Address Exclusion Of Loss Due To Virus Or Bacteria

ATTACHMENT(S)

- Multistate Forms Filing CF-2006-OVBEF
- State-specific version of Forms Filing CF-2006-OVBEF (Alaska, District of Columbia, Louisiana, New York, Puerto Rico)

We are sending these attachments only to recipients who asked to be put on the mailing list for attachments. If you need the attachments for this circular, contact your company's circular coordinator.

PERSON(S) TO CONTACT

If you have any questions concerning:

- the content of this circular, please contact:

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Senior Analyst

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COMMERCIAL FIRE AND ALLIED LINES
FORMS FILING CF-2006-OVBEF

Amendatory Endorsement - Exclusion Of Loss Due To Virus Or Bacteria

About This Filing

This filing addresses exclusion of loss due to disease-causing agents such as viruses and bacteria.

New Form

We are introducing:

- ◆ Endorsement **CP 01 40 07 06** - Exclusion Of Loss Due To Virus Or Bacteria

Related Filing(s)

Rules Filing CF-2006- OVBBER

Introduction

The current pollution exclusion in property policies encompasses contamination (in fact, uses the term *contaminant* in addition to other terminology). Although the pollution exclusion addresses contamination broadly, viral and bacterial contamination are specific types that appear to warrant particular attention at this point in time.

An example of bacterial contamination of a product is the growth of listeria bacteria in milk. In this example, bacteria develop and multiply due in part to inherent qualities in the property itself. Some other examples of viral and bacterial contaminants are rotavirus, SARS, influenza (such as avian flu), legionella and anthrax. The universe of disease-causing organisms is always in evolution.

Disease-causing agents may render a product impure (change its quality or substance), or enable the spread of disease by their presence on interior building surfaces or the surfaces of personal property. When disease-causing viral or bacterial contamination occurs, potential claims involve the cost of replacement of property (for example, the milk), cost of decontamination (for example, interior building surfaces), and business interruption (time element) losses.

Current Concerns

Although building and personal property could arguably become contaminated (often temporarily) by such viruses and bacteria, the nature of the property itself would have a bearing on whether there is actual property damage. An allegation of property damage may be a point of disagreement in a particular case. In addition, pollution exclusions are at times narrowly applied by certain courts. In recent years, ISO has filed exclusions to address specific exposures relating to contaminating or harmful substances. Examples are the mold exclusion in property and liability policies and the liability exclusion addressing silica dust. Such exclusions enable elaboration of the specific exposure and thereby can reduce the likelihood of claim disputes and litigation.

While property policies have not been a source of recovery for losses involving contamination by disease-causing agents, the specter of pandemic or hitherto unorthodox transmission of infectious material raises the concern that insurers employing such policies may face claims in which there are efforts to expand coverage and to create sources of recovery for such losses, contrary to policy intent.

In light of these concerns, we are presenting an exclusion relating to contamination by disease-causing viruses or bacteria or other disease-causing microorganisms.

Features Of New Amendatory Endorsement

The amendatory endorsement presented in this filing states that there is **no coverage for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease**. The exclusion (which is set forth in Paragraph B of the endorsement) applies to property damage, time element and all other coverages; introductory Paragraph A prominently makes that point. Paragraphs C and D serve to avoid overlap with other exclusions, and Paragraph E emphasizes that other policy exclusions may still apply.

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COMMERCIAL PROPERTY
CP 01 40 07 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 2. Additional Coverage - Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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ALASKA, DISTRICT OF COLUMBIA, LOUISIANA, NEW YORK, PUERTO RICO
COMMERCIAL FIRE AND ALLIED LINES
FORMS FILING CF-2006-OVBEF

Amendatory Endorsement - Exclusion Of Loss Due To Virus Or Bacteria

About This Filing

This filing addresses exclusion of loss due to disease-causing agents such as viruses and bacteria.

New Form

We are introducing:

- ◆ Endorsement **CP 01 75 07 06** - Exclusion Of Loss Due To Virus Or Bacteria

Related Filing(s)

Rules Filing CF-2006-OVBER

Introduction

The current pollution exclusion in property policies encompasses contamination (in fact, uses the term *contaminant* in addition to other terminology). Although the pollution exclusion addresses contamination broadly, viral and bacterial contamination are specific types that appear to warrant particular attention at this point in time.

An example of bacterial contamination of a product is the growth of listeria bacteria in milk. In this example, bacteria develop and multiply due in part to inherent qualities in the property itself. Some other examples of viral and bacterial contaminants are rotavirus, SARS, influenza (such as avian flu), legionella and anthrax. The universe of disease-causing organisms is always in evolution.

Disease-causing agents may render a product impure (change its quality or substance), or enable the spread of disease by their presence on interior building surfaces or the surfaces of personal property. When disease-causing viral or bacterial contamination occurs, potential claims involve the cost of replacement

of property (for example, the milk), cost of decontamination (for example, interior building surfaces), and business interruption (time element) losses.

Current Concerns

Although building and personal property could arguably become contaminated (often temporarily) by such viruses and bacteria, the nature of the property itself would have a bearing on whether there is actual property damage. An allegation of property damage may be a point of disagreement in a particular case. In addition, pollution exclusions are at times narrowly applied by certain courts. In recent years, ISO has filed exclusions to address specific exposures relating to contaminating or harmful substances. Examples are the mold exclusion in property and liability policies and the liability exclusion addressing silica dust. Such exclusions enable elaboration of the specific exposure and thereby can reduce the likelihood of claim disputes and litigation.

While property policies have not been a source of recovery for losses involving contamination by disease-causing agents, the specter of pandemic or hitherto unorthodox transmission of infectious material raises the concern that insurers employing such policies may face claims in which there are efforts to expand coverage and to create sources of recovery for such losses, contrary to policy intent.

In light of these concerns, we are presenting an exclusion relating to contamination by disease-causing viruses or bacteria or other disease-causing microorganisms.

Features Of New Amendatory Endorsement

The amendatory endorsement presented in this filing states that there is **no coverage for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease**. The exclusion (which is set forth in Paragraph B of the endorsement) applies to property damage, time element and all other coverages; introductory Paragraph A prominently makes that point. Paragraph C serves to avoid overlap with another exclusion, and Paragraph D emphasizes that other policy exclusions may still apply.

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COMMERCIAL PROPERTY
CP 01 75 07 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from fungus. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supercedes any exclusion relating to "pollutants".
- D.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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