

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

PEXE NORI, II LLC T/A
LEARNING EXPRESS OF WEXFORD
INDIVIDUALLY AND ON BEHALF
OF A CLASS OF SIMILARLY
SITUATED PERSONS
10628 Perry Highway
Wexford, PA 15090,

Plaintiff,

vs.

DONEGAL MUTUAL INSURANCE
COMPANY
1195 River Road
PO Box 302
Marietta, PA 17547-0302,

Defendants.

CIVIL DIVISION

No.: 60 20 5423

CIVIL ACTION COMPLAINT

Counsel of Record for Plaintiff:

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DEPT OF COURT RECORDS
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ALLEGHENY COUNTY PA

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IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

PEXE NORI II, LLC T/A
LEARNING EXPRESS OF WEXFORD
INDIVIDUALLY AND
ON BEHALF OF A CLASS OF
SIMILARLY SITUATED PERSONS
10628 Perry Highway
Wexford, PA 15090

vs.

DONEGAL MUTUAL INSURANCE COMPANY : No.
1195 River Road :
PO Box 302 :
Marietta, PA 17547-0302 :

CLASS ACTION COMPLAINT

Parties

1. Plaintiff, Pexe Nori II, LLC t/a Learning Express of Wexford (hereinafter “Learning Express”) is a limited liability company organized and existing in the Commonwealth of Pennsylvania with its principal place of business located at 10628 Perry Highway, Wexford, Allegheny County, Pennsylvania 15090; as such, Plaintiff is a citizen and resident of the Commonwealth of Pennsylvania.

2. Plaintiff, Learning Express, owns and operates a retail toy store in Gibsonia, Pennsylvania.

3. Defendant, Donegal Mutual Insurance Company (hereinafter “Donegal”), is a property and casualty insurance company incorporated under the laws of the Commonwealth of Pennsylvania, with a principal place of business at 1195 River Road, PO Box 302, Marietta, Lancaster County, Pennsylvania 17547-0302; as such Defendant Donegal is a citizen and resident of the Commonwealth of Pennsylvania.

4. The present action seeks declaratory relief on behalf of the individual Plaintiff, Learning Express, and on behalf of a class of similarly situated persons, under identical insurance policies issued by Defendant, Donegal, in the Commonwealth of Pennsylvania.

Insurance Coverage

5. At all times material hereto, there existed, in full force and effect, a Businessowners Policy (No. BOP8925256) (hereinafter “Donegal Policy”) issued by the Defendant, Donegal, to Plaintiff, Learning Express, providing the following coverages:

- (a) Commercial Automobile Coverage;
- (b) Businessowners Coverage;
- (c) Commercial Umbrella Coverage; and
- (d) Employment Practices Liability Coverage

A true and correct copy of the Donegal Policy is attached hereto and marked Exhibit “A”.

6. The Businessowners Coverage part of the Donegal Policy provides, *inter alia*, Business Income, Extra Expense, Civil Authority and other coverages applicable to the losses, damages, and expenses caused by the COVID-19 pandemic and the related governmental orders.

7. The Donegal Policy was in effect and provided coverage for the period May 6, 2019 to May 6, 2020.

8. The Businessowners Coverage part of the Donegal Policy is an “All Risks” policy which provides coverage for losses, damages, and expenses to the insured premises unless specifically excluded.

9. The Donegal Policy does not exclude the losses, damages, and expenses caused by the COVID-19 Pandemic.

10. The Donegal Policy provides coverage for the losses, damages, and expenses incurred by Plaintiff, Learning Express, as a result of the COVID-19 Pandemic and the actions of the government in response thereto.

Coronavirus Pandemic

11. The Center for Disease Control and the World Health Organization has for years warned of the possibility of an airborne virus which could cause a worldwide pandemic.

12. Coronavirus COVID-19 is a highly contagious airborne virus which has rapidly spread and continues to spread across the United States.

13. COVID-19 has been declared a pandemic by the World Health Organization.

14. The COVID-19 virus remains stable and transmittable in aerosols and various surfaces for prolonged periods of time, up to two to three days on some surfaces.

15. The COVID-19 virus is a public health crisis that has profoundly affected all aspects of society, including the ability of the public to congregate and gather.

16. The COVID-19 pandemic has been exacerbated by the fact that the virus infects and stays on the surfaces of objects and materials for prolonged periods.

17. The Center for Disease Control has issued guidance that gatherings of more than ten (10) people should not occur; such gatherings increase the danger of contracting the COVID19 virus.

18. On March 6, 2020, Governor Tom Wolf issued a Proclamation of Disaster Emergency as a result of the COVID-19 virus.

19. On March 19, 2020, Governor Tom Wolf issued an Order requiring all non-life sustaining businesses in the Commonwealth to cease operation and to close all physical locations.

20. On March 23, 2020, Governor Tom Wolf issued a Stay at Home Order for citizens of various counties including Allegheny County.

21. On March 23, 2020 the Pennsylvania Department of Health issued a similar Order noting that the “operation of non-life sustaining businesses present the opportunity for unnecessary gatherings, personal contact and interaction that will increase the risk of transmission and the risk of community spread of COVID-19.”

22. On April 1, 2020, Governor Tom Wolf extended the March 23, 2020 Stay at Home Order to the entire Commonwealth of Pennsylvania.

23. The COVID-19 virus, as evidenced by these Orders, causes damage to property, particularly in places of business, such as that of Plaintiff, Learning Express, and other similarly situated persons and organizations, where the operation of the business requires inter-action, gatherings and contact in areas where there exists a heightened risk of contamination by the COVID-19 virus.

Impact of COVID-19 Virus

24. As a result of the impact of the COVID-19 pandemic and the referenced Orders of the Governor, Plaintiff, Learning Express, has sustained loss of use of its premises, was forced close its retail storefront to the public, has seen a dramatic decrease in its business, and has been forced to furlough employees, thereby incurring losses, damages, and expenses.

25. As a result of the impact of the COVID-19 pandemic and the referenced Orders of the Governor, many similarly situated businesses have been ordered to close, thereby incurring losses, damages, and expenses similar to Plaintiff.

26. The business of Plaintiff, Learning Express, like many businesses, operates in “closed environment” where many persons, including employees and customers, cycle in and out thereby creating a risk of contamination to the insured premises.

27. As a result of the COVID-19 pandemic, the business of Plaintiff, Learning Express, like other similarly situated businesses, is susceptible to person to person, person to property, and property to person transmittal and contamination.

28. The COVID-19 pandemic has directly and adversely affected the business operations of Plaintiff, Learning Express, and other similarly situated businesses, by causing damage and the risk of further harm to the property and its occupants.

29. Plaintiff, Learning Express, and other similarly situated persons, have suffered Business Income, Civil Authority and other related losses, damages, and expenses which are covered by policies of insurance issued by Defendant, Donegal.

Claim for Recovery

30. Plaintiff, Learning Express, has made claim upon Defendant, Donegal, for recovery of losses, damages, and expenses caused by the COVID-19 pandemic and the referenced Orders.

31. Plaintiff, Learning Express, is entitled to a declaration that it is covered under the Donegal Policy for, *inter alia*, business income, extra expense, contamination, civil authority and other coverages under the Donegal Policy.

32. All similarly situated persons and organizations to whom Defendant, Donegal, have issued policies of insurance are entitled to a declaration that he or she is covered for business income, extra expense, contamination, civil authority and other coverage under the policies issued by Defendant, Donegal.

33. Defendant, Donegal, has wrongfully denied the claims of Plaintiff, Learning Express, and similarly situated persons, for recovery of damages caused by the COVID-19 pandemic and referenced Orders. See Denial Letter at Exhibit “B.”

34. Plaintiff, Learning Express, and all similarly situated persons, are entitled to a declaration that the policies of insurance issued by Defendant, Donegal, provide coverage for the losses, damages, and expenses caused by the COVID-19 pandemic and referenced Orders.

35. Plaintiff, Learning Express, and all similarly situated persons are entitled to an Order enjoining Defendant, Donegal, from denying coverage to insureds for business income, extra expense, contamination, civil authority and other coverages for losses, damages, and expenses caused by the COVID-19 pandemic and referenced Orders.

Class Action Allegations

36. Plaintiff, Learning Express, brings this action individually and on behalf of a class of similarly situated persons as a class action pursuant to the Pennsylvania Rules of Civil Procedure.

37. Defendant, Donegal, has wrongfully denied and/or failed to acknowledge the coverage to persons or organizations who have sustained covered losses, damages, and expenses caused by the COVID-19 pandemic and the referenced Orders.

38. Plaintiff, Learning Express, seeks to represent a class of Pennsylvania citizens who have sustained covered losses, damages, and expenses caused by the COVID-19 pandemic and the referenced Orders where: (a) Defendant, Donegal, issued a policy of insurance providing, *inter alia*, business income, extra expense, contamination, civil authority and other applicable coverages to each class member; (b) the putative class member has suffered covered losses, damages, and expenses under those policies by reason of the COVID-19 pandemic and referenced Orders; and

(c) Defendant, Donegal, have disclaimed coverage and/or refused to acknowledge coverage under the policy in question for the loss.

39. Plaintiff, Learning Express, reserves the right to amend the definition and/or identify subclasses upon completion of class certification.

40. The putative class is limited to citizens of the Commonwealth of Pennsylvania in numbers sufficient to allow class certification.

41. The members of the class are so numerous that joinder of them is impracticable.

42. Identification of the members of the class can be ascertained in and through discovery of the files and/or computer data base of Defendant, Donegal.

43. A class action is the only practicable means available for the members of the class to pursue the appropriate remedies and receive the necessary underinsured motorist benefits under the policies of insurance in question.

44. A class action is the only practicable means available to prevent the Defendant, Donegal, from engaging in the continuous and systematic denial and disclaimer of coverage for losses, damages, and expenses caused by the COVID-19 pandemic and referenced Orders.

45. The questions of law and fact are common to the members of the class which Plaintiff, Learning Express, seeks to represent.

46. The questions of law and fact common to the members of the class predominate over questions that may affect only individual members.

47. The common questions of law and fact which control this litigation predominate over any individual issues include, but are not limited to:

- (a) Each member of the class suffered losses, damages, and expenses as a result of the COVID-19 pandemic and referenced Orders;

- (b) Each member of the class is an insured under a policy of insurance issued by Defendant, Donegal, which provided business income, extra expense, contamination, civil authority and other coverages applicable to the loss;
- (c) Each class member is eligible to recover under the policy issued by Defendant, Donegal, for the losses, damages, and expenses caused by the COVID-19 pandemic and the referenced Orders;
- (d) Defendant, Donegal, has denied or refused to acknowledge coverage for the loss;
- (e) The denial or refusal to acknowledge coverage is illegal and a breach of the terms and provisions of the policy at issue; and
- (f) Each member of the class is entitled to a declaration that he or she is entitled to recover under the policy of insurance issued by Defendant, Donegal, for the losses, damages, and expenses caused by the COVID-19 pandemic and referenced Orders.

48. Plaintiff, Learning Express, is a member of the class that it seeks to represent.

49. The claims of Plaintiff, Learning Express, are typical of the claims of other members of the class which it purports to represent.

50. Plaintiff, Learning Express, is well qualified to act as class representative.

51. Plaintiff, Learning Express, will fairly and adequately protect the interests of the members of the class.

52. Plaintiff, Learning Express, has no interest that is adverse or antagonistic to the interests of the members of the class.

53. Plaintiff, Learning Express, is committed to prosecuting the class action.

54. Plaintiff, Learning Express, has retained competent counsel who are experienced in litigation of this nature.

55. A class action is superior to other available methods for the fair and efficient adjudication of the controversy.

56. Joinder of all class matters is impracticable and the likelihood of individual class members prosecuting separate claims is remote due to the fact that the members of the class do not know that they are entitled to as a result of the COVID-19 pandemic and referenced Orders.

57. The expense and burden of individual litigation makes it unlikely that a substantial member of the class members will individually seek redress for the wrongs done to them.

58. It is desirable for all concerned to concentrate the litigation in this particular forum for adjudication.

59. Plaintiff, Learning Express, anticipates no difficulty in the management of this action as a class action.

60. The class action brought by Plaintiff, Learning Express, is a convenient and proper forum in which to litigate the claim.

61. The prosecution of separate actions by individual class members would create the risk of bearing inconsistent determinations that could confront Defendant, Donegal, with incompatible standards of conduct and which could prejudice non-parties to any adjudication or substantially impede their ability to protect their own interests because of the overriding common questions of law and fact involved in the matter.

62. Prosecution of these claims as a class action will result in an orderly and expeditious administration of the claims and will foster economies of time, effort and expense.

63. Prosecution of these claims as a class action will contribute to uniformity of decisions concerning the practices of Defendant, Donegal.

COUNT I
(Declaratory Relief – Individual and Class Claims)

64. Plaintiff, Learning Express, hereby incorporates by reference the foregoing Paragraphs 1 through 63 of this Complaint as though same were fully set forth herein.

65. Plaintiff, Learning Express, is entitled to coverage under the Donegal Policy for the losses, damages, and expenses caused by the COVID-19 pandemic and referenced Orders.

66. Each member of the class is entitled to coverage under the applicable policy issued by Defendant, Donegal.

67. Defendant, Donegal, has denied and/or refused to acknowledge coverage for the losses, damages, and expenses of Plaintiff, Learning Express, caused by the COVID-19 pandemic and the referenced Orders.

68. Defendant, Donegal, has wrongfully denied and refused to acknowledge coverage to each member of the class for the losses, damages, and expenses caused by the COVID-19 pandemic and referenced Orders.

69. Plaintiff, Learning Express, is entitled to recover for losses, damages, and expenses covered by the COVID-19 pandemic and the referenced Orders under the Donegal Policy.

70. Each member of the class is entitled to recover for losses, damages, and expenses caused by the COVID-19 pandemic and the referenced Orders under the applicable policy.

71. Defendant, Donegal, has wrongfully refused to provide coverage to Plaintiff, Learning Express, under the Donegal Policy.

72. The denial and refusal to acknowledge coverage to Plaintiff, Learning Express, under the Donegal Policy is a material breach of that policy.

73. The denial and refusal to acknowledge coverage to Plaintiff, Learning Express, under the Donegal Policy is in direct violation of the specific terms and provisions of the Donegal Policy.

74. The denial and refusal to acknowledge coverage to each member of the class under the applicable policy is a material breach of that policy.

75. Plaintiff, Learning Express, is entitled to a declaration that it is entitled to coverage for losses, damages, and expenses caused by the COVID-19 pandemic and the referenced Orders.

76. Each member of the class is entitled to a declaration that he and/or she is entitled to coverage for losses, damages, and expenses caused by the COVID-19 pandemic and the referenced Orders under the pertinent policy of insurance issued by Defendants, Chubb and ACE.

77. The controversy poses an issue for judicial determination under the Declaratory Judgment Act.

78. The controversy involves substantial rights of the parties to the action.

79. The controversy poses an issue for judicial determination which is not within the scope of authority of any arbitrator or arbitration panel pursuant to the policy of insurance in question.

80. A judgment of this court in this action will also be useful for the purpose of clarifying and settling the legal relations at issue between the parties.


81. A judgment of this court will determine, terminate and afford relief from the uncertainty and controversy giving rise to this action.

WHEREFORE, Plaintiff, Pexe Nori II, LLC t/a Learning Express of Wexford, respectfully requests that the Court enter an Order:


- (a) declaring that Plaintiff, Pexe Nori II, LLC t/a Learning Express of Wexford, is entitled to coverage for losses, damages, and expenses caused by the COVID-19 pandemic and the referenced Orders from Defendant, Donegal Mutual Insurance Company;
- (b) declaring that each member of the class is entitled to coverage for losses, damages, and expenses caused by the COVID-19 pandemic and the referenced Orders from Defendant, Donegal Mutual Insurance Company; and
- (c) such other relief as the court deems appropriate.

Respectfully Submitted:

HAGGERTY, GOLDBERG, SCHLEIFER &
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Attorneys for Plaintiffs

VERIFICATION

I, Julie Tsounos, as representative of Pexe Nori II, LLC t/a Learning Express of Wexford, state that the facts set forth in the Complaint are true and correct to the best of my knowledge, information and belief. I understand that the statements are made subject to the penalties of 18 Pa.C.S.A. §4904 relating to unsworn falsification to authorities.

DATE: 4/28/2020

BY:

Julie Tsounos
Representing Pexe Nori II, LLC t/a Learning Express of Wexford



P.O. Box 302
Marietta, PA 17547-0302
(800)877-0600
www.donegalgroup.com

Pexe Nori II LLC
c/o Julie Tsounos
3053 White Pine Dr
Gibsonia PA 15044

Date: April 2, 2019
Policy Number: **BOP8925256**
Agency Number: 0003348-00

Coverage provided by:

Donegal Mutual Insurance Company

Attached is your renewal certificate for your Insurance Policy. Please review the information shown on the renewal certificate and advise your agent if any information should be changed. **Your invoice will be mailed separately.**

We hope that you will continue to find us to be a dependable source of insurance products and that our association will last for many more years.

Thank you for choosing Donegal Insurance Group for your insurance needs!

Go Mobile!

Visit www.donegalgroup.com to download our mobile app for your smartphone. Use the mobile app to pay your bill, report a claim or view your coverage summary.

How can we help you? Contact us:

- Policy Information: If you have any questions about your coverage, contact THE 4 I INSURANCE GROUP LLC at (412)200-2018.
- Billing Questions: To speak to a service representative, call (800)877-0600 and press 8, Monday through Friday from 8:00 a.m. to 6:00 p.m. ET. To make a payment by telephone, call (800)877-0600 and press 4, or visit www.donegalgroup.com to make an online payment.
- Claims Assistance: To report or inquire on a claim, call (800)877-9006 or visit www.donegalgroup.com.



DONEGAL INSURANCE GROUP
IMPORTANT NOTICE TO POLICYHOLDERS
REGARDING YOUR BUSINESSOWNERS POLICY

THIS NOTICE HAS BEEN PREPARED IN CONJUNCTION WITH THE IMPLEMENTATION OF CHANGES TO YOUR POLICY. THE PURPOSE OF THIS NOTICE IS TO PROVIDE INFORMATION REGARDING THE CHANGE IN COVERAGE BETWEEN YOUR CURRENT EXPIRING POLICY AND YOUR RENEWAL POLICY INCLUDED WITH THIS NOTICE. PLEASE READ THIS NOTICE CAREFULLY.

THIS NOTICE DOES NOT REFERENCE EVERY CHANGE FROM YOUR CURRENT POLICY AND MAY REFERENCE CHANGES TO COVERAGE FORMS OR ENDORSEMENTS NOT INCLUDED IN YOUR POLICY.

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY, INCLUDING ALL ENDORSEMENTS ATTACHED TO AND MADE A PART OF SUCH POLICY, CAREFULLY. YOU SHOULD ALSO REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

THE DONEGAL INSURANCE GROUP WISHES TO ASSURE YOU THAT YOUR BUSINESS IS IMPORTANT TO US AND THAT WE LOOK FORWARD TO CONTINUING OUR RELATIONSHIP WITH YOU FOR MANY MORE YEARS. YOU SHOULD CONTACT YOUR INSURANCE AGENT WITH QUESTIONS REGARDING YOUR INSURANCE NEEDS, THE COVERAGE PROVIDED BY YOUR POLICY, AND/OR THE INFORMATION PROVIDED BY THIS IMPORTANT NOTICE TO POLICYHOLDERS.

Please read this notice carefully.

Please read the endorsements carefully to determine the full scope of the changes.

A. Elimination and replacement of the Biological and Chemical Contaminants Exclusion Endorsement

An endorsement titled Biological and Chemical Contaminants Exclusion has been removed from your policy. This exclusion has been replaced by one or more of the following endorsements.

1. Asbestos Exclusion ILD 90 10 01 19. This endorsement excludes liability arising out of, traceable to, or relating in any way to, the existence or presence of asbestos.
2. Lead Exclusion ILD 90 11 01 19. This endorsement excludes liability arising out of, traceable to, or relating in any way to, the existence or presence of lead.
3. Silica Or Silica-Related Dust Exclusion BPD 05 17 01 19. This endorsement excludes liability arising out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, inhalation of, ingestion of, or presence of, silica or silica-related dust.
4. Amendment of Coverage - "Fungi", Wet Rot or Dry Rot BPD 05 76 01 19. This endorsement provides property damage coverage for fungi, wet or dry rot resulting from a specified cause of loss. Coverage is subject to a \$15,000 annual aggregate sub-limit.
5. Fungi Or Bacteria Exclusion BPD 05 77 01 19. This endorsement excludes liability arising out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, inhalation of, ingestion of, or presence of, fungi or bacteria.
6. Georgia - Limited Fungi Or Bacteria Coverage (Liability) - Small Businesses BPD 05 88 01 19 This endorsement may be attached to policies covering business entities which have less than 25 employees and annual revenues of less than \$2.5 million. Coverage is limited to a \$50,000 Fungi or Bacteria Property Damage Aggregate Limit.
7. Exclusion of Loss Due to Virus or Bacteria BPD 06 01 01 19. This endorsement excludes property damage 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.

B. Elimination of the Real Estate Managers Exclusions

The following exclusions regarding real estate managers have been eliminated.

1. Exclusion - Real Estate Managers BPD 04 65 03 16
2. Exclusion - Designated Real Estate Managers BPD 04 66 04 01
3. Exclusion - Real Estate Managers With Exception For Designated Persons Or Organizations BPD 04 67 04 01

These exclusions are replaced by the provisions found in Paragraph C. Who Is An Insured of the Businessowners Liability Coverage form.

Donegal Launches New Billing System

We are pleased to announce the launch of our new billing system. We are excited to share with you some of the enhanced features of this new system.

Invoices Mailed Separately

- You will receive your billing invoices separately from your policy documents.

Invoices Easier to Understand

- We have redesigned our invoices to display more details, including amounts due, current balances and payment options.

Convenient Payment Plans

- We have expanded our payment plans. We now offer full pay, payments every 2, 3, or 6 months and monthly payment plan options.

Billing Account Number

- Your invoice will display a billing account number that we have assigned to your policy or policies. You may use this number to access your billing information through our website. If you contact our Call Center with a billing question, this number will help our customer service representative to access your account.

Enhanced Self-Service Online

- You can log in to donegalgroup.com to change your payment plan, make a payment or view your balance. If you have not yet created a website account, we encourage you to do so for the added convenience of servicing your account online.

Automatic Payment Options

- We offer automatic Electronic Funds Transfer (EFT) from your checking or savings account and Recurring Credit Card (RCC) payments charged to your Visa or MasterCard account. Log in to donegalgroup.com to add an automatic payment option to your billing account.

Questions? Contact our Call Center at 800-877-0600 (press 8), Monday to Friday 8 a.m. to 6 p.m. (ET).

DONEGAL INSURANCE GROUP
1195 RIVER ROAD, P.O. BOX 302
MARIETTA, PENNSYLVANIA 17547-0302

CUSTOMER PRIVACY NOTICE

We value you as a customer of the Donegal Insurance Group and we take the privacy of your personal information seriously. The purpose of this notice is to help you better understand how we collect, use, share and protect your nonpublic personal financial information. This statement is provided to you jointly on behalf of the insurance and financial institutions identified below.

How we use nonpublic personal financial information

We use your nonpublic personal financial information to underwrite your policies, process your claims, ensure proper billing, service your accounts, and offer you other insurance or financial products offered by us and our affiliates that we believe may suit your needs. We may disclose this kind of information about you as explained below.

We share your nonpublic personal financial information about our transactions (such as payment of premium) with you and our experiences (such as an auto accident) with you with our affiliates and with your agents to better serve you and to assist in meeting your current product and service needs. We may also disclose your nonpublic personal financial information to persons or organizations inside or outside our company and affiliates as permitted or required by law, including to companies that perform marketing services for us or with whom we have joint marketing agreements.

We collect nonpublic personal financial information about you from the following sources:

- **From you on applications or other forms**, such as your name, address, telephone number, social security number, income and employment.
- **From your transactions with us, our affiliates, your agents or others**, such as your policy coverage, premiums, payment history, underwriting and claims documents, claim history, driving record, and medical records.
- **From consumer reporting agencies**, such as your credit history and your creditworthiness.

We do not disclose any nonpublic personal financial information about you except as permitted by law.

We may disclose the following information to companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements:

- **Information we receive from you on applications or other forms**, such as your name, address, telephone number, social security number, income and employment.
- **Information from your transactions with us, our affiliates, your agents or others**, such as your policy coverage, premiums, payment history, underwriting and claims documents, claim history, driving record, and medical records.
- **Information from consumer reporting agencies**, such as your credit history and your creditworthiness.

We protect your nonpublic personal financial information

We restrict access to nonpublic personal financial information about you to those employees who have a need to know that information to provide products or services to you or to complete transactions or inquiries regarding your policy(ies) or account(s). We maintain physical, electronic, procedural and organizational safeguards to protect your nonpublic personal financial information. We continually review our policies and practices and test the strength of our security in order to help us ensure the security of nonpublic personal financial information.

If you require additional information concerning our privacy policy and practices, you may contact us at our address above.

About Donegal Insurance Group

Donegal Insurance Group is a family of regional property and casualty insurance companies that includes: Donegal Mutual Insurance Company; Atlantic States Insurance Company; Le Mars Insurance Company; Peninsula Insurance Company; Peninsula Indemnity Company; Sheboygan Falls Insurance Company; Southern Insurance Company of Virginia; Michigan Insurance Company; Southern Mutual Insurance Company; Mountain States Indemnity Company; and Mountain States Commercial Insurance Company. Our affiliated title insurance company, title agencies, and bank include Conestoga Title Insurance Company; Abstracting Company of Berks County; Lancaster Title Abstracting Company and Union Community Bank.

DONEGAL INSURANCE GROUP
IMPORTANT NOTICE TO POLICYHOLDERS
REGARDING THE AVAILABILITY OF CYBER COVERAGE INSURANCE

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY, INCLUDING ALL ENDORSEMENTS ATTACHED TO AND MADE A PART OF SUCH POLICY, CAREFULLY. YOU SHOULD ALSO REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

THE DONEGAL INSURANCE GROUP WISHES TO ASSURE YOU THAT YOUR BUSINESS IS IMPORTANT TO US AND THAT WE LOOK FORWARD TO CONTINUING OUR RELATIONSHIP WITH YOU FOR MANY MORE YEARS. YOU SHOULD CONTACT YOUR INSURANCE AGENT WITH QUESTIONS REGARDING YOUR INSURANCE NEEDS, THE COVERAGE PROVIDED BY YOUR POLICY, AND/OR THE INFORMATION PROVIDED BY THIS IMPORTANT NOTICE TO POLICYHOLDERS.

A new optional endorsement coverage is available to be purchased titled Cyber Coverage Insurance. Cyber Coverage Insurance protects against a loss from:

- The theft or unauthorized disclosure of protected information (data breach). The protected information can be in either paper or electronic format.
- An interruption, failure, suspension or delay in the performance of your computer system caused by the unauthorized access or unauthorized use of, the introduction of malicious code into, or a denial of service attack upon, such computer system (network disruption).
- Any of the following that arise from the creation of electronic media which advertises or promotes your products or services (media wrongful act):
 - o Libel, slander or other defamation;
 - o Invasion or infringement of an individual's right to privacy or publicity;
 - o Disparaging a person's or organization's goods, products or services;
 - o Infringement of copyright, plagiarism or misappropriation of ideas; or
 - o Infringement of trademark, title, slogan, trade name, trade dress, service mark or service name.

The endorsement contains a combination of first party and third party coverages as outlined below:

- A.** First Party Privacy Breach Expense Coverage provides for expenses incurred by you to respond to a data breach, including:
- Notification expenses;
 - Monitoring expenses, including costs for obtaining credit reports;
 - Investigation expenses; and
 - Crisis management expenses.
- B.** Regulatory Proceeding Claims Expense Coverage provides for costs you are legally obligated to pay for documentation required by, or an investigation or civil proceeding brought by, a regulatory body due to a data breach.
- C.** First Party Business Interruption Coverage - this optional coverage provides for business income loss and extra expense due to a network disruption.
- D.** Third Party Liability Coverage provides for damages and expenses you become legally obligated to pay resulting from any claim made against you for any data breach, network disruption or media wrongful act.

Coverage is flexible and affordable with limits up to \$1,000,000 for third party coverages and \$100,000 for first party coverages.

For complete details of coverage refer to ILD 90 20 07 13 Cyber Coverage Insurance or ILD 90 21 07 13 Cyber Coverage Insurance (Excluding Business Income).

Please contact your agent if you would like to purchase Cyber Coverage Insurance.

Name of Insurance Company: Donegal Mutual Insurance Company
Policy Number: BOP8925256
Agent Name and Code: THE 4 I INSURANCE GROUP LLC 0003348-00
Agent Phone Number: (412)200-2018

DONEGAL INSURANCE GROUP
IMPORTANT NOTICE TO POLICYHOLDERS
POLICYHOLDER DISCLOSURE NOTICE REGARDING
TERRORISM INSURANCE COVERAGE

You are hereby notified that pursuant to the Terrorism Risk Insurance Act (the "Act"), you have a right to purchase insurance coverage for losses arising out of acts of terrorism as defined in the Act. This Act establishes a program within the United States Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future acts of terrorism. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; to have resulted in losses of at least five million dollars; 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.

This notice is deemed to be a part of your insurance policy.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

You should know that coverage for losses caused by certified acts of terrorism is partially reimbursed by the United States government under a formula established by federal law. Under the formula, the federal share equals 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020 of 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 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. The premium charged for this coverage is provided below and does not include any charges for the portion of loss covered by the federal government under the Act.

DISCLOSURE OF CAP ON INSURER PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the 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.

DISCLOSURE OF AVAILABILITY OF TERRORISM INSURANCE COVERAGE

In accordance with the Act, we are required to offer you coverage for losses resulting from an act of terrorism that is certified under the federal program. The coverage we offer must not differ materially from the stated policy's terms, amounts, and other coverage limitations applicable to losses arising from events other than acts of terrorism defined in the Act. The policy's other provisions will still apply to such an act. Your policy referenced above includes this coverage and its associated premium charge. You may accept or reject this coverage.

You may reject the offer of coverage for terrorism losses as defined in the Act by signing and returning this notice to us. If you decline this coverage, an exclusion for such terrorism losses will be added to your policy and the associated terrorism premium charge will be removed from the policy premium calculation.

DISCLOSURE OF TERRORISM PREMIUM

If you choose to accept the offer of coverage described above, your policy premium will include an additional premium charge for such coverage. The portion of your annual policy premium that is attributable to coverage for terrorism losses defined in the Act is \$ (See Policy Declarations). This premium is included in the policy premium and is payable according to your billing invoice.

REJECTION OF TERRORISM COVERAGE ACKNOWLEDGEMENT

If you choose to reject the offer of coverage described above, please complete the acknowledgement section below and return this form to us at the address indicated within 30 days of receipt of this Policyholder Disclosure Notice.

I acknowledge that I have read this "Important Notice" disclosure statement pertaining to the federal terrorism insurance program, including but not limited to, the Disclosure Of Federal Participation In Payment Of Terrorism Losses, Disclosure Of Cap On Insurer Participation In Payment Of Terrorism Losses, Disclosure Of Availability Of Terrorism Insurance Coverage, and Disclosure Of Terrorism Premium sections of this notice, and hereby reject the offer of coverage on a voluntary and informed basis.

Name (Signature)

Name (Printed)

Date of Signature

If you have rejected terrorism coverage, please sign this Policyholder Disclosure Notice and return to:

The Donegal Insurance Group
Commercial Lines Underwriting Department
PO Box 302
Marietta, PA 17547-0302

DONEGAL INSURANCE GROUP

**EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE
IMPORTANT NOTICE TO POLICYHOLDER**

COLORADO DISCLOSURE FORM - CLAIMS-MADE POLICY

THIS DISCLOSURE FORM IS NOT YOUR POLICY. IT DESCRIBES SOME OF THE MAJOR FEATURES OF OUR CLAIMS-MADE POLICY FORM. READ YOUR POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR POLICY DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

YOUR POLICY

Your policy is a claims-made policy. It provides coverage only for injury or damage occurring after the policy retroactive date (if any) shown on your policy and the incident is reported to your insurer prior to the end of the policy period. Upon termination of your claims-made policy an extended reporting period option is available from your insurer.

There is no difference in the kind of injury or damage covered by occurrence or claims-made policies. Claims for damages may be assigned to different policy periods, depending on which type of policy you have.

If you make a claim under your claims-made policy, the claim must be a demand for damages by an injured party and does not have to be in writing. Under most circumstances, a claim is considered made when it is received and recorded by you or by us. Sometimes, a claim may be deemed made at an earlier time. This can happen when another claim for the same injury or damage has already been made, or when the claim is received and recorded during an extended reporting period.

PRINCIPAL BENEFITS

This policy provides for Employment Practices Liability Insurance Coverage up to the maximum dollar limit specified in the policy.

The principal benefits and coverages are explained in detail in your claims-made policy. Please read it carefully and consult your insurance producer about any questions you might have.

EXCEPTIONS, REDUCTIONS AND LIMITATIONS

Your claims-made policy contains certain exceptions, reductions and limitations. Please read them carefully and consult your insurance producer about any questions you might have.

RENEWALS AND EXTENDED REPORTING PERIODS

Your claims-made policy has some unique features relating to renewal, extended reporting periods and coverage for events with long periods of potential liability exposure.

If there is a retroactive date in your policy, no event or occurrence prior to that date will be covered under the policy even if reported during the policy period. It is therefore important for you to be certain that there are no gaps in your insurance coverage. These gaps can occur in several ways. Among the most common are:

1. If you switch from an occurrence policy to a claims-made policy, the retroactive date in your claims-made policy should be no later than the expiration date of the occurrence policy.
2. When replacing a claims-made policy with a claims-made policy, you should consider the following:
 - a. The retroactive date in the replacement policy should extend far enough back in time to cover any events with long periods of liability exposure, or
 - b. If the retroactive date in the replacement policy does not extend far enough back in time to cover events with long periods of liability exposure, you should consider purchasing extended reporting period coverage under the old claims-made policy.

3. If you replace this claims-made policy with an occurrence policy, you may not have insurance coverage for a claim arising during the period of claims-made coverage unless you have purchased an extended reporting period under the claims-made policy. Extended reporting period coverage must be offered to you by law for at least one year after the expiration of the claims-made policy at a premium not to exceed 200% of your last policy premium.

CAREFULLY REVIEW YOUR POLICY REGARDING THE AVAILABLE EXTENDED REPORTING PERIOD COVERAGE, INCLUDING THE LENGTH OF COVERAGE, THE PRICE AND THE TIME PERIOD DURING WHICH YOU MUST PURCHASE OR ACCEPT ANY OFFER FOR EXTENDED REPORTING PERIOD COVERAGE.



P.O. Box 302
Marietta, PA 17547-0302
(800)877-0600
www.donegalgroup.com

Businessowners Declarations Page

Coverage provided by:
Donegal Mutual Insurance Company

Policy Number:	BOP8925256
Policy Type:	Businessowners
Reason Issued:	Renewal
Effective Date:	05/06/2019

Named Insured & Mailing Address:

Pexe Nori II LLC
c/o Julie Tsounos
3053 White Pine Dr
Gibsonia PA 15044

Your Agency:

THE 4 I INSURANCE GROUP LLC
Carnegie Office Park Bldg 2
600 N Bell Ave Ste 120
Carnegie PA 15106
(412)200-2018
Agency Number: 0003348-00

REFER TO THE NAMED INSURED SUPPLEMENTAL SCHEDULE

Policy Period: From 05/06/2019 to 05/06/2020

This policy period begins and ends at 12:01 a.m. at the named insured's address shown above.

In consideration of the premium, insurance is provided for those coverages for which specific limits of insurance are shown or are otherwise stated as included; all subject to the provisions of this policy including its policy jacket, forms and endorsements.

Policy Summary

Insured Premises:		
Description of Business: Toy Store	Form of Business: Limited Liability Company	Policy Form: Special
Premises 1 : 10628 Perry Hwy, Wexford PA 15090		\$2,409
Endorsement Coverage		\$1,625
Certified Acts of Terrorism Coverage		\$81
Total Annual Premium:		\$4,115

Property Coverage

Location of Described Premises

Premises 1 : 10628 Perry Hwy, Wexford PA 15090

Description: Toy Stores

Class Code: 59998

Occupancy: Mercantile - BOP

Year Built: 2010

Construction: Joisted Masonry

Protection Class: 4

Territory: 003

Premises 1 - Building 1			
Property Coverage	Deductible	Limits of Insurance	Premium
Personal Property - Replacement Cost	\$500	\$250,000	\$1,897
Additional Building Coverage	Deductible	Limits of Insurance	Premium
Equipment Breakdown	\$500	Included - Refer to endorsement BPD 90 10	See Schedule
Business Income and Extra Expense Direct Damage	Not Applicable	12 Months Actual Loss Sustained	Included
Building Endorsements:			
BPD 04 30 04/01 Protective Safeguards			
BPD 922 07/10 Tenants Improvements and Betterments Separation of Coverage			
See Supplemental Declarations for Other Applicable Endorsements			

Location of Described Premises

Premises 1 : 10628 Perry Hwy, Wexford PA 15090

Description: Toy Stores

Class Code: 59998

Occupancy: Mercantile - BOP

Year Built: 2010

Construction: Frame

Protection Class: 4

Territory: 003

Premises 1 - Building 2			
Property Coverage	Deductible	Limits of Insurance	Premium
Personal Property - Replacement Cost	\$500	\$50,000	\$464
Additional Building Coverage	Deductible	Limits of Insurance	Premium
Equipment Breakdown	\$500	Included - Refer to endorsement BPD 90 10	See Schedule
Business Income and Extra Expense Direct Damage	Not Applicable	12 Months Actual Loss Sustained	Included
Building Endorsements:			
BPD 04 30 04/01 Protective Safeguards			
BPD 922 07/10 Tenants Improvements and Betterments Separation of Coverage			
See Supplemental Declarations for Other Applicable Endorsements			

Business Liability and Medical Expenses

Liability Coverage	Limits of Insurance
Liability and Medical Expenses	\$1,000,000 Per Occurrence
	\$2,000,000 Aggregate Limit
Medical Expenses	\$5,000 Per Person
Damage to Premises Rented to You	\$50,000 Any One Occurrence
Except for Damage to Premises Rented to You Coverage, each paid claim for the above coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to paragraph D. 4. of the Liability Coverage Form.	

BOP Plus Coverage Level Supplemental Declarations

Increased Limits of Insurance:	
Each coverage shown below applies separately per location. The coverages and limits provided are in addition to and will be applied in excess of any other limits provided in this policy for the same coverage.	
Coverage	Limits of Insurance
Property Coverages	
Accounts Receivable	\$25,000 Additional Limit of Insurance
Employee Dishonesty	\$25,000 Additional Limit of Insurance
Money and Securities - Inside the Premises	\$10,000 Additional Limit of Insurance
Money and Securities - Outside the Premises	\$10,000 Additional Limit of Insurance
Outdoor Signs	\$5,000 Additional Limit of Insurance
Valuable Papers and Records	\$25,000 Additional Limit of Insurance
Liability Coverages	
Damage to Premises Rented To You Coverage (Tenant's Liability)	\$250,000 Additional Limit of Insurance

Coverage Amendments:	
Each coverage shown below applies separately per location. These coverages amend the coverage as found in the policy.	
Coverage	Limits of Insurance
Property Coverages	
Business Personal Property Limit - Seasonal Increase	25% of the applicable Business Personal Property Limit of Insurance
Extended Business Income - 30 days	Included - Subject to the Business Income Additional Coverage
Premises Boundary - Broadened to 500 Feet	Included within the applicable Property Coverage

Additional Coverages and Coverage Extensions:	
The additional coverages and coverage extensions shown below apply separately per location.	
Coverage	Limits of Insurance
Property Coverages	
Appurtenant Structures	\$50,000
Business Income From Dependent Properties	\$5,000
Fine Arts	\$15,000
Fire Department Service Charge	\$2,000
Fire Extinguishing Equipment Recharge	Actual Cost
Food Contamination	\$5,000
Food Contamination – Business Income	\$5,000
Inventory And Appraisal	\$1,000
Lock and Key Replacement	\$1,000
Money Orders and Counterfeit Paper Currency	\$2,500
Ordinance or Law Coverages - Coverage 1 - Coverage for Loss to the Undamaged Portion of the Building	Included within the applicable Building Limit of Insurance
Ordinance or Law Coverages - Coverage 2 - Demolition Cost Coverage and Coverage 3 - Increased Cost of Construction Coverage	\$50,000

BOP Plus Coverage Level Supplemental Declarations (Continued)**Increased Limits of Insurance:**

Each coverage shown below applies to the entire policy and is the most we will pay regardless of the number of locations insured. The coverages and limits provided are in addition to and will be applied in excess of any other limits provided in this policy for the same coverage.

Coverage	Limits of Insurance
Property Coverages	
Personal Property Off Premises	\$20,000 Additional Limit of Insurance

Coverage Amendments:

Each coverage shown below applies to the entire policy and is the most we will pay regardless of the number of locations insured. These coverages amend the coverages as found in the policy.

Coverage	Limits of Insurance
Liability Coverages	
Products / Completed Operations Aggregate Limit - Twice The Liability And Medical Expenses Limit	Included – Refer to the Liability and Medical Expenses Limits of Insurance.

Additional Coverages and Coverage Extensions:

The additional coverages and coverage extensions shown below apply to the entire policy and is the most we will pay regardless of the number of locations insured.

Coverage	Limits of Insurance
Property Coverages	
Business Income - Newly Acquired Properties (90 days to report)	\$50,000
Newly Acquired or Constructed Buildings (90 days to report)	\$100,000
Business Personal Property and Newly Acquired Or Constructed Premises (90 days to report)	\$100,000
Salespersons Samples	\$2,500
Installation Coverage	\$2,500
Liability Coverages	
Broadened Named Insured - Newly Acquired or Newly Formed Organizations	Included within the Business Liability and Medical Expenses Coverage
Premium: \$118	

BRD 04 04 (05-14) Hired Auto and Non-Owned Auto Liability - INCLUDED

This endorsement is included as part of the selected PLUS coverage.

Coverage	Additional Premium
Hired Auto Liability	Included
Non-owned Auto Liability	Included

Schedule of Additional Interests

Type	Name and Address	Endorsement
Additional Insured Lessors Of Premises Premises 1	Kimco Realty Corporaton c/o Ebix RCS PO Box 100085-94 Duluth GA 30096	BPD 04 02 09/12 Premium: \$24
Additional Insured Lessors Of Premises Premises 1	CH Realty III/Wexford LP c/o Ebix RCS PO Box 100085-94 Duluth GA 30096	BPD 04 02 09/12 Premium: \$24

Form, Coverage and Endorsement Supplemental Information**Named Insured Supplemental Schedule**

The Named Insured is amended to read as follows. This applies to all references to Named Insured contained in this policy, including all policy forms (coverage parts), declaration page(s) and endorsements made a part of this policy.

Pexe Nori II LLC

T/A Learning Express Of Wexford

BPD 04 30 (04-01) Protective Safeguards

Premises No:	Building No:	Protective Safeguards Symbols Applicable
1	1	P-1
Describe any "P-9":		*

BPD 04 30 (04-01) Protective Safeguards

Premises No:	Building No:	Protective Safeguards Symbols Applicable
1	2	P-1
Describe any "P-9":		*

BPD 04 53 (07-10) Water Backup of Sewers or Drains - Optional**Limits Of Insurance**

\$10,000

Premium:

\$48

BPD 04 97 (07-16) Waiver of Transfer of Rights of Recovery Against Others

Name of Person or Organization: Kimco Realty

BPD 90 10 (06-07) Equipment Breakdown Coverage

Premium:

\$102

BPD-922 (07-10) Tenants Improvements and Betterments Separation of Coverage

Premises No.	Building No.	Description of Property	Limit Of Insurance
1	1	Shelving, Flooring, Lighting	\$80,000
Premium:			\$241

BPD-922 (07-10) Tenants Improvements and Betterments Separation of Coverage

Premises No.	Building No.	Description of Property	Limit Of Insurance
1	2	Shelving, Flooring, Lighting	\$80,000
Premium:			\$278

Form, Coverage and Endorsement Supplemental Information (Continued)**Damage to Premises Rented To You Coverage**

With respect to only the premises indicated below, the Damage to Premises Rented to You Limit shown below replaces the Damage to Premises Rented to You Limit shown in the BUSINESS LIABILITY AND MEDICAL EXPENSES section of these Declarations.

Limit of Insurance			
Premises: 1	Bldg: 1	\$500,000	Any One Occurrence
Premium:			\$248

Damage to Premises Rented To You Coverage

With respect to only the premises indicated below, the Damage to Premises Rented to You Limit shown below replaces the Damage to Premises Rented to You Limit shown in the BUSINESS LIABILITY AND MEDICAL EXPENSES section of these Declarations.

Limit of Insurance			
Premises: 1	Bldg: 2	\$500,000	Any One Occurrence
Premium:			\$289

ILD 90-70 (10-17) Employment Practices Liability Insurance Coverage Endorse**NOTICE**

- THIS IS A CLAIMS-MADE AND REPORTED POLICY. EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THIS EPL COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS OR SUITS THAT ARE FIRST MADE AGAINST THE INSURED'S DURING THE EPL COVERAGE PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN. VARIOUS PROVISIONS IN THIS EPL COVERAGE RESTRICT COVERAGE. PLEASE READ THE ENTIRE EPL COVERAGE FORM CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.
- THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS UNDER THIS EPL COVERAGE SHALL BE REDUCED BY AMOUNTS INCURRED FOR DEFENSE COSTS. AMOUNTS INCURRED FOR DEFENSE COSTS SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

EPL Coverage Period:	From:04/29/2019 To:04/29/2020	At 12:01 A.M. at the "named insured's" mailing address shown on the Declarations page of this policy
EPL Aggregate Limit of Liability:	\$50,000	Annual aggregate for all "loss" combined, including "defense costs".
EPL Deductible Amount:	\$5,000	For "loss" arising from claims or suits alleging the same "wrongful employment act" or "related wrongful employment acts".
Third Party Violations Coverage(Optional):	Included	If "Included" is shown in this box, then coverage for "third party violations" has been paid for and coverage is in force. Otherwise, there is no coverage available for "third party violations".
Premium:		\$301

Policy Forms and Endorsements

BP 00 02	12/99	Businessowners Special Property Coverage Form
BP 00 09	01/97	Businessowners Common Policy Conditions
BP 01 42	01/99	Pennsylvania Changes
BP 10 04	04/98	Exclusion of Certain Computer-Related Losses
BP 10 05	04/98	Exclusion Year 2000 Computer-Related & Electronic Problems
BPD 00 06	07/15	Businessowners Liability Coverage Form
BPD 04 02	09/12	Additional Insured - Lessors of Premises
BPD 04 04	05/14	Hired Auto and Non-Owned Auto Liability - INCLUDED
BPD 04 30	04/01	Protective Safeguards
BPD 04 41	07/09	Business Income Changes - Increased Period of Restoration No Waiting Period
BPD 04 53	07/10	Water Backup of Sewers or Drains - Optional
BPD 04 83	07/09	Removal of Insurance to Value Provision
BPD 04 97	07/16	Waiver of Transfer of Rights of Recovery Against Others
BPD 05 14	07/09	War Liability Exclusion
BPD 05 17	01/19	Exclusion - Silica or Silica-Related Dust
BPD 05 23	01/15	Cap on Losses From Certified Acts of Terrorism
BPD 05 42	01/15	Exclusion of Punitive Damages Related to a Certified Act Of Terrorism
BPD 05 76	01/19	Limited Fungi or Bacteria Coverage
BPD 05 77	01/19	Fungi or Bacteria Exclusion (Liability)
BPD 06 01	01/19	Exclusion Of Loss Due To Virus Or Bacteria
BPD 15 05	09/13	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability
BPD 302	07/15	Businessowners Plus Endorsement
BPD 90 03	07/09	Communicable Disease Exclusion
BPD 90 10	06/07	Equipment Breakdown Coverage
BPD 90 45	01/08	Amendment - Water Exclusion
BPD 90 46	01/08	Amendment - Earth Movement Exclusion
BPD 922	07/10	Tenants Improvements and Betterments Separation of Coverage
CMOF 600	01/15	Policyholder Disclosure Notice Regarding Terrorism Ins Cov
IL 02 46	09/00	Pennsylvania Changes - Cancellation and Non-Renewal
IL 09 10	01/81	Pennsylvania Notice
ILD 90 10	01/19	Asbestos Exclusion
ILD 90 11	01/19	Lead Exclusion
ILD 90 70	10/17	Employment Practices Liability Insurance Coverage Endorse
ILD 90 80	10/17	Pennsylvania Changes (EPL)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - SILICA OR SILICA-RELATED DUST

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following provisions apply with respect to the insurance provided by the Businessowners Liability Coverage Form including any form or endorsement that is attached to and made a part of this policy, and that modifies the liability coverage.

- A.** The following Exclusions are added to Subparagraph **1. Applicable To Business Liability Coverage** as found under Paragraph **B. Exclusions**:

This insurance does not apply to:

SILICA OR SILICA-RELATED DUST

- 1.** "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- 2.** "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- 3.** "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

- 4.** Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

- B.** The following definitions are added to Paragraph **F. Definitions**:

- 1.** "Silica" means silicon dioxide, (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
- 2.** "Silica-related dust" means a mixture or combination of silica and other dust or particles.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF COVERAGE -
"FUNGI", WET ROT OR DRY ROT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE*

Revised Limit \$ _____
Separate Premises Or Locations Option YES <input type="checkbox"/> NO <input type="checkbox"/>
If YES, describe the separate premises or locations:
Business Income/Extra Expense - Revised number of days _____
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

The following provisions apply with respect to the insurance provided by the **Businessowners Property Coverage Form**.

A. Exclusion - "Fungi", Wet Rot Or Dry Rot

We will not pay for loss or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

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

This exclusion does not apply:

- (1) When "fungi", wet rot or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning.

B. The following is added to Additional Coverages as found in Paragraph A. Coverages.**Limited Coverage For "Fungi", Wet Rot or Dry Rot**

1. The coverage described in Paragraphs 2. and 6. below only apply when the "fungi", wet or dry rot are the result of a "specified cause of loss" that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
2. We will pay for loss or damage by "fungi", wet or dry rot. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by "fungi", wet or dry rot, including the cost of removal of the "fungi", wet or dry rot;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet or dry rot are present.

3. Unless a higher limit is selected in Schedule, the coverage described under this Limited Coverage is limited to \$15,000. If the Schedule indicates that the Separate Premises Or Locations Options applies, then the amount of coverage is made applicable to separate premises or locations as described in the Schedule. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet or dry rot, we will not pay more than the total of \$15,000 unless a higher limit is selected in the Schedule even if the "fungi", wet or dry rot continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

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

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

C. Fungi Definition

With respect to the provisions of this endorsement, the following Definition is added:

"Fungi" means any type of fungus (a non-chlorophyll bearing organism having a vegetative body called a thallus), including but not limited to, yeast, mold, mildew, blight, and mycotoxins, microbial volatile organic compounds, fungal metabolites, glucans, scents, spores and reproductive bodies, and any other by-products produced by, released by, or arising out of, any past or current "fungi".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION (LIABILITY)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following provisions apply with respect to the insurance provided by the Businessowners Liability Coverage Form including any form or endorsement that is attached to and made a part of this policy, and that modifies the liability coverage.

- A.** The following Exclusions are added to Subparagraph **1. Applicable To Business Liability Coverage** as found under Paragraph **B. Exclusions**:

This insurance does not apply to:

Fungi Or Bacteria

- 1.** "Bodily injury", "property damage" or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

- 2.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

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

- B.** The following definitions are added to Paragraph **F. Definitions**:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

The following provisions apply with respect to the insurance provided by the Businessowners Property Coverage Form.

- A.** The exclusion set forth in Paragraph **B.** applies to all property coverage under all forms and endorsements that comprise this Businessowners Policy, except as provided in Paragraph **C.** This includes but is not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- C.** However, the exclusion in Paragraph **B.** does not apply to the following:
 - 1.** Loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Businessowners Policy; or
 - 2.** Coverage otherwise provided under the Food Contamination Endorsement **BPD 04 31** or the Food Contamination Additional Coverage included in the Businessowners Plus Property Enhancement Endorsement (if one of those endorsements is attached to this Businessowners Policy).
- D.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- 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 Businessowners Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
GARAGE COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
TRADESMAN'S ADVANTAGE CONTRACTORS' POLICY

The following provisions apply with respect to the insurance provided by this policy, including any form or endorsement that is attached to and made a part of this policy and that modifies the liability coverage.

This insurance does not apply to:

- A.** Any sums the insured becomes legally obligated to pay as damages, or any loss, cost or expense, including costs or expenses for defense, arising out of, traceable to, or relating in any way to, the existence or presence of asbestos, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such damages, loss, cost or expense. This exclusion includes, but is not limited to:
 - 1. The inhaling, ingesting or absorption of, or prolonged physical exposure to products containing asbestos;
 - 2. The use of asbestos in constructing or manufacturing any products or structures;
 - 3. The abatement, removal, remediation or containment of asbestos from or within any products or structures; and
 - 4. The handling, installation, manufacture, transportation, storage or disposal of asbestos or products containing asbestos.
- B.** Any sums that the insured becomes legally obligated to pay as damages, or any loss, cost or expense, including costs or expenses for defense, because of the actual, alleged, or threatened discharge, dispersal, release, leakage, leaching, friability, flaking, escape, existence or presence of asbestos at any time.
- C.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, asbestos, by any insured or by any other person or entity.
- D.** 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 asbestos; 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, asbestos.
- E.** Any sums that the insured becomes legally obligated to pay as damages, or any loss, cost or expense, including costs or expenses for defense, because of any instruction, recommendation, failure to warn, alert, caution, notification or advice regarding any existence or presence of asbestos.
- F.** Asbestos includes but is not limited to, asbestos, asbestos fibers, asbestos dust, or any substances, materials, products, or matter containing asbestos.

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

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
GARAGE COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
TRADESMAN'S ADVANTAGE CONTRACTORS' POLICY

The following provisions apply with respect to the insurance provided by this policy, including any form or endorsement that is attached to and made a part of this policy and that modifies the liability coverage.

This insurance does not apply to:

- A.** Any sums the insured becomes legally obligated to pay as damages, or any loss, cost or expense, including costs or expenses for defense, arising out of, traceable to, or relating in any way to, the existence or presence of lead, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such damages, loss, cost or expense. This exclusion includes, but is not limited to:
 - 1. The inhaling, ingesting or absorption of, or prolonged physical exposure to products containing lead;
 - 2. The use of lead in constructing or manufacturing any products or structures;
 - 3. The abatement, removal, remediation or containment of lead from or within any products or structures; and
 - 4. The handling, installation, manufacture, transportation, storage or disposal of lead or products containing lead.
- B.** Any sums that the insured becomes legally obligated to pay as damages, or any loss, cost or expense, including costs or expenses for defense, because of the actual, alleged, or threatened discharge, dispersal, release, leakage, leaching, friability, flaking, escape, existence or presence of lead at any time.
- C.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, lead, by any insured or by any other person or entity.
- D.** 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 lead; 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, lead.
- E.** Any sums that the insured becomes legally obligated to pay as damages, or any loss, cost or expense, including costs or expenses for defense, because of any instruction, recommendation, failure to warn, alert, caution, notification or advice regarding any existence or presence of lead.

**THIS ENDORSEMENT PROVIDES INDEPENDENT COVERAGES, TERMS, AND DEFINITIONS.
PLEASE READ IT CAREFULLY.**

**EMPLOYMENT PRACTICES LIABILITY
INSURANCE COVERAGE ENDORSEMENT**

IMPORTANT NOTICE:

- I. THIS EPL COVERAGE ENDORSEMENT IS A CLAIMS-MADE AND REPORTED COVERAGE. EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THIS EPL COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS OR SUITS THAT ARE FIRST MADE AGAINST THE INSURED(S) DURING THE EPL COVERAGE PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN. VARIOUS PROVISIONS IN THIS EPL COVERAGE RESTRICT COVERAGE. PLEASE READ THE ENTIRE EPL COVERAGE FORM CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.
- II. THIS EPL COVERAGE ENDORSEMENT INCLUDES DEFENSE COSTS WITHIN THE LIMIT OF LIABILITY. THIS MEANS THAT THE LIMIT OF LIABILITY SPECIFIED IN THE SUPPLEMENTAL DECLARATIONS OF THE EPL COVERAGE ENDORSEMENT SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED BY, DEFENSE COSTS. IN THE EVENT THAT THE LIMIT OF LIABILITY IS EXHAUSTED, THE INSURER SHALL NOT BE LIABLE FOR DEFENSE COSTS OR FOR ANY DAMAGES, JUDGMENTS OR SETTLEMENTS. AMOUNTS INCURRED FOR DEFENSE COSTS SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

Throughout this Coverage Endorsement (hereinafter referred to as "EPL Coverage"), the words "you" and "your" refer to the "named insured(s)" shown in the Supplemental Declarations of this EPL Coverage and any other person(s) or organization(s) qualifying as a "named insured" under this EPL Coverage. 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 III. WHO IS AN INSURED.

Other words and phrases that appear in "quotations" have special meaning. Refer to SECTION VII. DEFINITIONS.

The terms and conditions of the Cancellation Clause of the Common Policy Conditions and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this EPL Coverage; unless specifically stated otherwise in an endorsement(s) attached hereto.

SECTION I. WHAT IS COVERED

A. Insuring Agreement

1. "We" shall pay those "losses" arising out of an "insured's" "wrongful employment act" (other than a "third party violation") against "your" "employees", "recognized volunteers" and "applicants for employment" to which this insurance applies.
2. If coverage for "third party violations" is shown on the Supplemental Declarations, then "we" shall pay those "losses" arising out of an "insured's" "third party violation".
3. For coverage to apply under this EPL Coverage, the "wrongful employment act" or "third party violation" must commence or take place after the Retroactive Date, but before the end of the "EPL coverage period". If no Retroactive Date appears on the Supplemental Declarations then the Retroactive Date shall be the date of organization of the "named insured." A "claim" or "suit" for a "wrongful employment act" or "third party violation" must be first made against "you" during the "EPL coverage period" and reported to "us" pursuant to the terms of this EPL Coverage.

4. A "claim" or "suit" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

- a. When written notice of such "claim" or "suit" is received and recorded by any "insured" or by "us", whichever comes first; or
- b. When "we" make any settlement in accordance with the terms of this EPL Coverage.

B. Defense

1. "We" have the right and duty to defend and appoint an attorney to defend any "claim" or "suit" brought against any "insured" for a "wrongful employment act" or "third party violation" to which this insurance applies, even if the "claim" or "suit" is groundless or fraudulent.

At the time a "claim" or "suit" is first reported to "us", "you" may request that "we" appoint a defense attorney of "your" choice. "We" will give full consideration to any such request.

2. "We" have the right to investigate and settle any "claim" or "suit" that "we" believe is proper. "You" shall be entitled to consent to such settlement, provided "your" consent is not unreasonably withheld and is provided as soon as practicable.

If "you" refuse to consent to any settlement that "we" recommend and that is acceptable to the claimant, then "our" liability under this EPL Coverage for such "claim" or "suit" shall not exceed the amount for which we could have settled had "your" consent not been withheld at the time of "our" recommendation. "You" shall thereafter negotiate and defend that "claim" or "suit" at "your" own cost and without "our" involvement.

3. "We" shall pay all reasonable costs "we" ask the "insured" to incur while helping "us" investigate or defend a "claim" or "suit". "We", however, will not pay more than \$250 per day for earnings lost by the "insured" because of time taken off from work.
4. "We" shall pay premiums for appeal bonds, or bonds to release property being used to secure a legal obligation, for a covered "suit". "We" shall only pay, however, for bonds valued up to "our" EPL Aggregate Limit of Liability. "We" shall have no obligation to appeal or to obtain these bonds.
5. Payments for "defense costs" are included within the EPL Aggregate Limit of Liability. They are not in addition to the EPL Aggregate Limit of Liability. "Our" duty to defend or to make payment of any "claim" or "suit" pursuant to Paragraphs 1. through 4. of this Clause B., ends after the EPL Aggregate Limit of Liability has been exhausted by payment of "loss", including "defense costs".
6. "We" shall pay all interest on that amount of any judgment within the EPL Aggregate Limit of Liability:
 - a. Which accrues after entry of judgment; and
 - b. Before "we" pay, offer to pay, or deposit in court that part of the judgment within the EPL Aggregate Limit of Liability.

These interest payments shall be in addition to and not part of the EPL Aggregate Limit of Liability.

C. Transfer of Control

1. "You" may take over control of any outstanding "claim" or "suit" previously reported to "us", but only if "we", in "our" sole discretion, decide that you should, or if a court orders "you" to do so.
2. Notwithstanding Paragraph 1. of this Clause C., in all events, if the EPL Aggregate Limit of Liability is exhausted, "we" will notify "you" of all outstanding "claims" or "suits" and "you" will take over control of the defense. "We" will help transfer control of the "claims" and "suits" to "you".

3. "We" shall take whatever steps are necessary to continue the defense of any outstanding "claim" or "suit" and avoid a default judgment during the transfer of control to "you". If "we" do so, "we" shall not waive or give up any of "our" rights. "You" shall pay all reasonable expenses "we" incur for taking such steps after the EPL Aggregate Limit of Liability is exhausted.

SECTION II. EXCLUSIONS-WHAT IS NOT COVERED

This insurance does not apply to:

A. Criminal Acts

Any liability arising out of any dishonest, fraudulent, criminal, or malicious act by or at the direction of any "insured". However, to the extent that a "claim" or "suit" is otherwise covered under this EPL Coverage "we" will defend a "claim" or "suit" asserting a dishonest, fraudulent, criminal or malicious act until such time as the "insured" is determined to have committed such dishonest, fraudulent, criminal or malicious act;

The "wrongful employment act(s)" or "third party violation(s)" of an "insured" shall not be imputed to any other "insured" for the purpose of determining the applicability of this Exclusion A.

B. "Property Damage"

Any liability arising out of "property damage".

C. "Bodily Injury"

Any liability arising out of "bodily injury".

D. Worker's Compensation, Social Security and Unemployment, Disability and Retirement Benefits

Any liability arising out of any obligation pursuant to any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law. This exclusion, however, shall not apply to "loss" arising from a "claim" or "suit" for "retaliation".

E. Contractual Liability

Any liability arising out of any actual or alleged contractual liability of any "insured" under any express contract or agreement. This exclusion, however, shall not apply to any liability the "insured" would have in the absence of such express contract or agreement.

F. ERISA, FLSA, NLRA, WARN, COBRA, and OSHA

Any liability for violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign statutory law or common law.

It is acknowledged that "claims" and "suits" for violation(s) of any of the responsibilities, obligations or duties imposed by "similar federal, state, local or foreign statutory law or common law," as such quoted language is used in the immediately-preceding paragraph, include, without limitation, any and all "claims" and "suits" which in whole or in part allege, arise out of, are based upon, are attributable to, or are in any way related to any of the circumstances described in any of the following:

1. The refusal, failure or inability of any "insured(s)" to pay wages or overtime pay (or amounts representing such wages or overtime pay) for services rendered or time spent in connection with work related activities (as opposed to tort-based back pay or front pay damages for torts other than conversion);
2. Improper deductions from pay taken by any "insured(s)" from any "employee(s)" or purported employee(s); or
3. Failure to provide or enforce legally required meal or rest break periods;

Notwithstanding the foregoing, this Exclusion F. shall not apply to the extent that a "claim" or "suit" is for "retaliation".

G. Prior Knowledge

Any liability arising out of incidents, circumstances or "wrongful employment acts" or "third party violations", which an "insured"

1. Had knowledge of; or
2. Could have reasonably foreseen might result in a "claim" or "suit"

and which were known to the "insured" prior to the effective date of this EPL Coverage or the first EPL Coverage issued by "us" of which this EPL Coverage is an uninterrupted renewal.

H. Prior Notice

Any liability arising out of the facts alleged, or to the same or "related wrongful employment acts" or "related third party violations" alleged or contained in any "claim" or "suit" which has been reported, or in any circumstances of which notice has been given, under any policy of which this EPL Coverage is a renewal or replacement or which it may succeed in time.

I. Prior Litigation

Any liability arising out of any prior

1. Litigation; or
2. Administrative or regulatory proceeding or investigation

of which an "insured" had notice, or alleging the same or "related wrongful employment acts" or "related third party violations" alleged or contained in such pending or prior litigation or administrative or regulatory proceeding or investigation which the "insured" had knowledge of prior to the effective date of this EPL Coverage or the first EPL Coverage issued by "us" of which this EPL Coverage is an uninterrupted renewal.

SECTION III. WHO IS AN INSURED

A. Individual

If "you" are shown in the Supplemental Declarations of this EPL Coverage as an individual, "you" and "your" spouse or "Domestic Partner" are "insureds", only for the conduct of a business of which "you" are the sole owner.

B. Corporation

If "you" are shown in the Supplemental Declarations of this EPL Coverage as a corporation or organization other than a partnership, joint venture, or limited liability company, "you" and "your" "subsidiaries" are "insureds".

C. Partnership or Joint Venture

If "you" are shown in the Supplemental Declarations of this EPL Coverage as a partnership or joint venture, "you" are an "insured". "Your" members, partners or co-venturers and their spouses or "Domestic Partners" are also "insureds", but only for the conduct of "your" business.

D. Limited Liability Company

If "you" are shown in the Supplemental Declarations of this EPL Coverage as 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.

E. Trusts

If "you" are shown in the Supplemental Declarations of this EPL Coverage as a trust, "you" are an "insured". "Your" trustees are also "insureds", but only with respect to their duties as trustees.

F. "Employees"

"Your" "employees", executive officers and directors are "insureds", only for the conduct of "your" business within the scope of their employment or their duties as executive officers or directors.

G. Extensions

1. Subject otherwise to the terms hereof, this EPL Coverage shall cover "loss" arising from any "claims" or "suits" made against the estates, heirs, or legal representative of deceased individual "insureds", and the legal representatives of individual "insureds", in the event of incompetency, who were individual "insureds" at the time the "wrongful employment acts" or "third party violations", upon which such "claims" or "suits" are based, were committed.

2. Subject otherwise to the terms hereof, this EPL Coverage shall cover "loss" arising from all "claims" and "suits" made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) or "Domestic Partner" of an individual "insured", including a "claim" or "suit" that seeks damages recoverable from marital community property, property jointly held by the individual "insured" and the spouse or "Domestic Partner", or property transferred from the individual "insured" to the spouse or "Domestic Partner"; provided, however, that this extension shall not afford coverage for a "claim" or "suit" arising out of any "wrongful employment act" or "third party violation" of the spouse or "Domestic Partner", but shall apply only to "claims" or "suits" arising out of any "wrongful employment acts" or "third party violations" of an individual "insured", subject to this EPL Coverage's terms, conditions and exclusions.

SECTION IV. LIMIT OF LIABILITY (including "defense costs")

- A. The EPL Aggregate Limit of Liability shown in the Supplemental Declarations of this EPL Coverage and the information contained in this section limits the most "we" shall pay for all "loss" (other than post-judgment interest described in Section I., Clause B., Paragraph 6.) arising out of "claims" and "suits" first made against "insureds" during the "EPL coverage period" or Extended Reporting Periods (if applicable), regardless of:
1. The number of persons or organizations covered by this EPL Coverage; or
 2. The number of "claims" made or "suits" brought; or
 3. The length of the "EPL coverage period".
- B. The EPL Aggregate Limit of Liability is the most "we" shall pay for all "losses" (other than post-judgment interest described in Section I., Clause B., Paragraph 6.), including amounts incurred for "defense costs".
- C. The EPL Aggregate Limit of Liability for the Extended Reporting Periods (if applicable) shall be part of, and not in addition to the EPL Aggregate Limit of Liability for the "EPL coverage period".
- D. All "claims" and "suits" arising from the same or "related wrongful employment acts" or "related third party violations" shall be treated as arising out of a single "wrongful employment act" or "third party violation".
- E. All "claims" or "suits" arising out of one "wrongful employment act" or "third party violation" shall be deemed to be made on the date that the first such "claim" is made or "suit" is brought. All "claims" asserted in a "class action suit" will be treated as arising out of a single "wrongful employment act" or "third party violation".

- F. Any "claim" or "suit" which is made subsequent to the "EPL coverage period" or Extended Reporting Periods (if applicable) which, pursuant to Section VI., Clause D., Paragraphs 3. and 4. is considered made during the "EPL coverage period" or Extended Reporting Periods (if applicable), shall also be subject to the one EPL Aggregate Limit of Liability stated in the Supplemental Declarations of this EPL Coverage.

SECTION V. DEDUCTIBLE

"You" shall be responsible for the deductible amount shown in the Supplemental Declarations of this EPL Coverage with respect to each "claim" and "suit" and "you" may not insure against it. A single deductible amount shall apply to "loss" arising from all "claims" and "suits" alleging the same "wrongful employment act" or "third party violation" or "related wrongful employment acts" or "related third party violations". Expenses "we" incur in investigating, defending and settling "claims" and "suits" are included in the deductible. The deductible is not included within the EPL Aggregate Limit of Liability.

At our option, "we" may pay any part or all of the EPL Deductible Amount to effect settlement of any "claim" or "suit" and upon notification of the action taken, "you" shall promptly reimburse "us" for such part of the deductible that has been paid by "us".

SECTION VI. CONDITIONS

"We" have no duty to provide coverage under this EPL Coverage, unless there has been full compliance with all the Conditions contained in this EPL Coverage.

A. Assignment

The interest of any "insured" is not assignable. "You" cannot assign or transfer "your" interest in this EPL Coverage without "our" written consent attached to the EPL Coverage.

B. Bankruptcy or Insolvency

"Your" bankruptcy, insolvency or inability to pay, will not relieve "us" from the payment of any "claim" or "suit" covered by this EPL Coverage.

Under no circumstances will "your" bankruptcy, insolvency, or inability to pay require "us" to drop down, in any way replace, or assume any of "your" obligations with respect to the Deductible provisions of this EPL Coverage.

C. Coverage Territory

"We" cover "wrongful employment acts" or "third party violations" anywhere in the world, but only if the "claim" is made and the "suit" is brought for such "wrongful employment act" or "third party violation" in the United States of America, its territories and possessions, Puerto Rico, or Canada.

D. Duties in the Event of an Incident, "Claim" or "Suit"

1. If, during the "EPL coverage period", incidents or events occur which "you" reasonably believe may give rise to a "claim" or "suit" for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant's representative; or notice of a complaint filed with EEOC, DOL or OFCCP (or similar federal, state or local agency); or upon an oral "claim", allegation or threat, "you" shall give written notice to "us" as soon as practicable and either:
 - a. Anytime during the "EPL coverage period";
 - b. Anytime during the sixty (60) days immediately following the expiration of the "EPL coverage period", for "claims" first made or "suits" first brought during the "EPL Coverage Period", (as shown on the Supplemental Declarations) when this policy is renewed by "us"; or
 - c. Anytime during the Extended Reporting Periods (if applicable).
2. If a "claim" is made or a "suit" is brought against any "insured", "you" must:
 - a. Immediately record the specifics of the "claim" or "suit" and the date received; and
 - b. Provide "us" with written notice, as described in Paragraph 3. of this Clause D., as soon as practicable.
3. Such written notice of "claim" or "suit" shall contain:
 - a. The identity of the person(s) alleging a "wrongful employment act" or "third party violation";
 - b. The identity of the "insured(s)" who allegedly were involved in the incidents or events;
 - c. The date the alleged incidents or events took place; and
 - d. The written notice or a memorandum of the oral "claim", allegation or threat referred to above.

If written notice is given to "us" during the "EPL coverage period" or Extended Reporting Periods (if applicable), pursuant to the above requirements, then any "claim" or "suit" which is subsequently made against any "insureds" and reported to "us" alleging, arising out of, based upon or attributable to such circumstances or alleging any "related wrongful employment act" or "related third party violation" to such circumstances, shall be considered made at the time such notice of such circumstances was first given.

4. If "you" submit written notice of a "claim" or "suit", pursuant to this Clause D., then any "claim" or "suit" that may subsequently be made against an "insured" and reported to "us" alleging the same or a "related wrongful employment act" or the same or a "related third party violation" to the "claim" or "suit" for which such notice has been given shall be deemed, for the purpose of this insurance, to have been first made during the "EPL coverage period" or Extended Reporting Period (if applicable) in effect at the time such written notice was first submitted to "us".
5. "You" and any other "insured" must:
 - a. Immediately send "us" copies of any demands, notices, summonses or legal papers received in connection with any "claim" or "suit";
 - b. Authorize "us" to obtain records and other information;
 - c. Cooperate with "us" in the investigation, settlement or defense of the "claim" or "suit";
 - d. 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;
 - e. Not take any action, nor fail to take any required action, that prejudices the rights of the "insureds" or "us" with respect to such "claim" or "suit".
6. No "insureds" will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without "our" prior written consent.

E. Transfer of Rights of Recovery Against Others to "Us"

"You" may be able to recover all or part of a "loss" from someone other than "us". "You", therefore, shall do all that is possible after a "loss" to preserve any such right of recovery. If "we" make a payment under this EPL Coverage, that right of recovery shall belong to "us". "You" shall do whatever is necessary, including signing documents, to help "us" obtain that recovery.

F. Extended Reporting Periods

1. "You" shall have the right to the Extended Reporting Periods described in Paragraph 2. of this Clause F., in the event that:
 - a. "You" or "we" shall cancel this EPL Coverage;
 - b. "You" or "we" shall refuse to renew this EPL Coverage; or

- c. "We" renew this EPL Coverage on an other than a claims-made basis or with a Retroactive Date later than the Retroactive Date shown on the Supplemental Declarations of this EPL Coverage.
2. If an event as specified in Paragraph 1. of this Clause F. has occurred, "you" shall have the right to the following:
- a. An Automatic Extended Reporting Period of thirty (30) days after the effective date of cancellation or nonrenewal at no additional premium in which to give to "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said Automatic Extended Reporting Period for any "wrongful employment acts" or "third party violations" occurring before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage; and
 - b. Upon payment of an additional premium of 100% of the full annual premium applicable to this EPL Coverage, a Supplemental Extended Reporting Period of one (1) year immediately following the effective date of cancellation or nonrenewal in which to give to "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said Supplemental Extended Reporting Period for any "wrongful employment acts" or "third party violations" occurring before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage.

To obtain the Supplemental Extended Reporting Period, "you" must request it in writing and pay the additional premium due, within thirty (30) days of the effective date of cancellation or nonrenewal. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If "we" do not receive the written request as required, "you" may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

G. Change in Control of "Named Insured"

In the event of a "transaction" then this EPL Coverage shall continue in full force and effect as to "wrongful employment acts" or "third party violations" occurring prior to the effective time of the "transaction", but there shall be no coverage afforded by any provision of this EPL Coverage for any actual or alleged "wrongful employment acts" or "third party violations" occurring after the effective time of the "transaction". This EPL Coverage may not be cancelled after the effective time of the "transaction" and the entire premium for this EPL Coverage shall be deemed earned as of such time. "You" shall also have the right to the Extended Reporting Periods described in Clause F. of this Section VI.

"You" shall give "us" written notice of the "transaction" as soon as practicable, but not later than thirty (30) days after the effective date of the "transaction".

H. Legal Action Against "Us"

No person or organization has the right to join "us" as a party or otherwise bring "us" into a "suit" asking for damages from an "insured".

I. Other Insurance

Unless expressly written to be excess over other applicable insurance, it is intended that the insurance provided by this EPL Coverage shall be primary.

J. EPL Coverage Changes

This EPL Coverage contains all the agreements between "you" and "us" concerning this insurance. The first "named insured" in the Supplemental Declarations of this EPL Coverage is authorized to request changes in this EPL Coverage. This EPL Coverage can only be changed by a written endorsement "we" issue and make part of this EPL Coverage.

K. Representations

Any and all relevant provisions of this EPL Coverage may be voidable by "us" in any case of fraud, intentional concealment, or misrepresentation of material fact by any "insured".

L. Special Rights and Duties of the First "Named Insured"

"You" agree that when there is more than one person and/or entity covered under this EPL Coverage, the first "named insured" in the Supplemental Declarations of this EPL Coverage shall act on behalf of all "insureds" as to:

1. Giving of notice of a "claim" or "suit";
2. Giving and receiving notice of cancellation or nonrenewal;
3. Payment of premiums and receipt of return premiums;

4. Acceptance of any endorsements issued to form a part of this EPL Coverage; or
5. Purchasing or deciding not to purchase the Supplemental Extended Reporting Period.

M. Separation of Insureds

Except with respect to the EPL Aggregate Limit of Liability and any rights or duties specifically assigned to the first "named insured" in Clause L. of this Section VI., this insurance applies:

1. As if each "named insured" were the only "named insured"; and
2. Separately to each insured against whom a "claim" or "suit" is made.

N. Tie-In of Limits

As respects any "claim" or "suit" in which at least one person/entity claimed against is an "insured" under this EPL Coverage and at least one person/entity claimed against is an insured under any other EPL Coverage issued to "you" by "us" (the "Other Policy"), the combined EPL Aggregate Limit of Liability under both this EPL Coverage and the Other Policy for all "losses" arising from such "claims" or "suits" combined shall not exceed the highest applicable limit of insurance under either this EPL Coverage or the Other Policy. This limitation shall apply even if both this EPL Coverage and the Other Policy have been triggered due to a "claim" or "suit" made against the same person/entity but alleging "wrongful employment acts" or "third party violations" both in his, her or its capacity as an insured under the "Other policy" and as an "insured" under this EPL Coverage.

O. Headings

The descriptions in the headings of this EPL Coverage are solely for convenience, and form no part of the terms and conditions of coverage.

SECTION VII. DEFINITIONS

- A. "Applicant(s) for employment" means individual(s) who have applied or interviewed for a position of employment where work will be performed for, and completed under the direction of, the "named insured".
- B. "Bodily injury" means physical injury, sickness, or disease, including death resulting therefrom.
- C. "Claim" means a written demand for monetary and non-monetary relief (including any request to toll or waive any statute of limitations). The term "claim" shall also mean an Equal Employment Opportunity Commission (EEOC), Department of Labor (DOL) or Office of Federal Contract Compliance Program (OFCCP) (or similar federal, state or local agency) proceeding or investigation commenced by the filing of a notice of charges, service of a complaint or similar document of which notice has been given to "you". However, in no event, shall the term "claim" include any labor or grievance proceeding, which is subject to a collective bargaining agreement.
- D. "Class action suit" means any suit seeking certification or certified as a class action by a federal or state court.
- E. "Defense costs" means reasonable and necessary fees, costs and expenses consented to by "us" resulting solely from the investigation, adjustment, defense and appeal of a "claim" or "suit" against "you". In no event shall "defense costs" include "your" or "our" routine on-going expenses, including, without limitation, the salaries of "your" or "our" "employees", officers or staff attorneys.
- F. "Domestic partner" means any natural person legally recognized as a domestic or civil union partner under:
 1. The provisions of any applicable federal, state or local law; or
 2. The provisions of any formal program established by "you".
- G. "Employee" means an individual whose labor or service is engaged by and directed by "you" for remuneration, whether such individual is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal, and temporary "employees".
An individual who is an independent contractor or leased to "you" shall also be an "employee". Independent contractors who do not provide ongoing and routine services solely for "you" shall not be considered "employees", including but not limited to independent trade contractors (e.g. plumber, electrician).
- H. "EPL coverage period" means the period commencing on the effective date shown in the Supplemental Declarations of this EPL Coverage. This period ends on the earlier of the expiration date or the effective date of cancellation of this EPL Coverage. If "you" became an "insured" under this EPL Coverage after the effective date, the "EPL coverage period" begins on the date "you" became an "insured".
- I. "Loss(es)" means monetary amounts to which this insurance applies and which "you" are legally obligated to pay (including front pay and back pay), judgments, settlements, pre- and post-judgment interest on that part of any judgment paid by "us", statutory attorney fees, and "defense costs"; however, "loss" shall not include:
 1. Civil or criminal fines or penalties imposed by law;
 2. Taxes;
 3. Employment related benefits, stock options, perquisites, deferred compensation or any other type of compensation other than salary, wages or bonus compensation;
 4. Any liability or costs incurred by any "insured" to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person, or any liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar; or

5. Matters which may be deemed uninsurable under the law pursuant to which this EPL Coverage shall be construed.

Where permitted by law, "loss" shall include punitive or exemplary damages imposed upon any "insured" (subject to the policy's other terms, conditions and exclusions).

- J. "Named insured" means the person or organization designated in the Supplemental Declarations page of this EPL Coverage.
- K. "Property damage" means physical injury to, or destruction of, tangible property including the loss of use thereof, or loss of use of tangible property, which has not been physically injured or destroyed.
- L. "Recognized volunteer" means an uncompensated individual who volunteers labor or services to "you", but only when performing such labor or services at the request of and under the direction of "you".
- M. "Related wrongful employment act(s)" means "wrongful employment acts" which are the same, related or continuous, or "wrongful employment acts" which arise from a common nucleus of facts. "Claims" or "suits" can allege "related wrongful employment acts", regardless of whether such "claims" or "suits" involve the same or different claimants, "insureds" or legal causes of actions.
- N "Related third party violation(s)" means "third party violation(s)" which are the same, related or continuous, or "third party violation(s)" which arise from a common nucleus of facts. "Claims" or "suits" can allege "related third party violations", regardless of whether such "claims" or "suits" involve the same or different claimants, "insureds" or legal causes of actions.
- O. "Retaliation" means a "wrongful employment act" of an "insured" alleged to be in response to the actual or attempted exercise by an "employee" of any right that such "employee" has under the law.
- P. "Subsidiary" means:
1. Any for-profit organization which, on or before the inception of the "EPL coverage period", is more than fifty (50%) percent owned by the "named insured", either directly or indirectly through one or more of its "subsidiaries"; or

2. A for-profit organization which becomes a "subsidiary" during the "EPL coverage period", but only upon the condition that within ninety (90) days of its becoming a "subsidiary", the "named insured" shall have provided "us" with full particulars of the new "subsidiary" and agreed to any additional premium or amendment of the provisions of this EPL Coverage required by "us" relating to such new "subsidiary". Further, coverage as shall be afforded to the new "subsidiary" is conditioned upon the "named insured" paying when due any additional premium required by "us" relating to such new "subsidiary".

An organization becomes a "subsidiary" when the "named insured" owns more than fifty (50%) percent ownership interest in such "subsidiary", either directly, or indirectly through one or more of its "subsidiaries". An organization ceases to be a "subsidiary" when the "named insured" ceases to own more than a fifty (50%) percent ownership in such "subsidiary", either directly, or indirectly through one or more of its "subsidiaries".

In all events, coverage as is afforded under this EPL Coverage with respect to a "claim" made or "suit" brought against any "subsidiary" or an "insured" of any "subsidiary", shall only apply to "wrongful employment act(s)" or "third party violation(s)" commenced or allegedly commenced after the effective time that such "subsidiary" became a "subsidiary", and prior to the time that such "subsidiary" ceased to be a "subsidiary".

- Q. "Suit" means a civil proceeding or an administrative proceeding seeking money damages, and includes an arbitration, mediation or any other alternative dispute resolution procedure seeking such damages, to which the "insured" must submit or may submit with "our" consent. "Suit" shall not include any civil proceeding or administrative proceeding arising from any labor or grievance dispute which is subject to a collective bargaining agreement.
- R. "Third party violation" means any actual or alleged discrimination or sexual harassment against "your" clients, customers, tenants, or vendors. "Third party violation" shall also include any of the following as it relates to such discrimination or sexual harassment:
1. Violation of an individual's civil rights;
 2. Libel;
 3. Slander;
 4. Humiliation;
 5. Mental anguish;
 6. Infliction of emotional distress;
 7. Defamation;
 8. Invasion of privacy; or

9. Any discrimination arising out of Title III of the Americans With Disabilities Act of 1990.
- S. "Transaction" means any of the following that occur during the "EPL coverage period":
1. The "named insured" shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
 2. Any person or entity or group of persons or entities acting in concert shall acquire an amount of the outstanding securities representing more than fifty (50%) percent of the voting power for the election of directors or General Partners of the "named insured" (in the event the "named insured" is a Partnership), or acquires the voting rights of such an amount of such securities; or
 3. A General Partner of the "named insured" (in the event the "named insured" is a partnership) withdraws, resigns or is terminated.
- T. "Wrongful employment act(s)" means any actual or alleged:
1. Wrongful dismissal, discharge or termination (either actual or constructive), including breach of an implied contract;
 2. Harassment or coercion (including sexual harassment, whether quid pro quo, hostile work environment or otherwise);
 3. Discrimination (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy, disability, or violation of Title III of the Americans With Disabilities Act of 1990);
 4. "Retaliation" (including lockouts);
 5. Employment-related misrepresentation(s) to "your" "employee" or "applicant for employment" with "you";
 6. Employment-related libel, slander, humiliation, mental anguish, infliction of emotional distress, defamation, or invasion of privacy;
 7. Wrongful failure to employ or promote;
 8. Wrongful deprivation of career opportunity, wrongful demotion or negligent "employee" evaluation, including the giving of negative or defamatory statements in connection with an "employee" reference;
 9. Wrongful discipline;
 10. Failure to provide or enforce adequate or consistent corporate policies and procedures relating to any "wrongful employment act" or "third party violations";
 11. Negligent supervision or hiring by an "insured", relating to any of the above; or
 12. Violation of an individual's civil rights relating to any of the above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE

SECTION VI. CONDITIONS, Clause F. Extended Reporting Periods, Paragraph 2.b. is replaced by the following:

- b.** Upon payment of an additional premium of 100% of the full annual premium applicable to this EPL Coverage, a Supplemental Extended Reporting Period of one (1) year immediately following the effective date of cancellation or nonrenewal in which to give to "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said Supplemental Extended Reporting Period for any "wrongful employment acts" or "third party violations" occurring before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage.

To obtain the Supplemental Extended Reporting Period, "you" must request it in writing and pay the additional premium due, within sixty (60) days of the effective date of cancellation or nonrenewal. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If "we" do not receive the written request as required, "you" may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

**BUSINESSOWNERS SPECIAL
PROPERTY COVERAGE FORM**

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

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

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

A. Coverage

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

1. Covered Property

Covered Property, as used in this policy, means the type of property as described in this section, A.1., and limited in A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

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

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Your personal property in apartments or rooms furnished by you as landlord;
- (5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (6) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the buildings or structures;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

b. Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, including:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition E.6.d.(3)(b);
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove; and
- (4) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph A.1.b.(2).

2. Property Not Covered

Covered Property does not include:

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

3. Covered Causes Of Loss

Risks Of Direct Physical Loss unless the loss is:

- a. Excluded in Section B., Exclusions; or
- b. Limited in Paragraph A.4., Limitations; that follow.

4. Limitations

- a. We will not pay for loss of or damage to:
- (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - (3) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory. This limitation does not apply to the Optional Coverage for Money and Securities.
 - (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- b. With respect to glass (other than glass building blocks) that is part of the interior of a building or structure, or part of an outdoor sign, we will not pay more than \$500 for the total of all loss or damage in any one occurrence. Subject to the \$500 limit on all loss or damage, we will not pay more than \$100 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter.
- This Limitation does not apply to loss or damage by the "specified causes of loss", except vandalism.
- c. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken, unless caused by the "specified causes of loss" or building glass breakage. This restriction does not apply to:
- (1) Glass that is part of the interior of a building or structure;
 - (2) Containers of property held for sale; or
 - (3) Photographic or scientific instrument lenses.
- d. For loss or damage by theft, the following types of property are covered only up to the limits shown:
- (1) \$2,500 for furs, fur garments and garments trimmed with fur.

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

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

5. Additional Coverages

a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
 - (a) The date of direct physical loss or damage; or
 - (b) The end of the policy period.
- (2) The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
 - (b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in Paragraph (4) below.
- (3) This Additional Coverage does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (4) If:
 - (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
 - (b) The debris removal expense exceeds the amount payable under the 25% Debris Removal Coverage limitation in Paragraph (2) above;

we will pay up to an additional \$10,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

b. Preservation Of Property

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

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

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

d. Collapse

- (1) We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building insured under this policy, if the collapse is caused by one or more of the following:

- (a) The "specified cause of loss" or breakage of building glass, all only as insured against in this policy;
- (b) Hidden decay;
- (c) Hidden insect or vermin damage;
- (d) Weight of people or personal property;
- (e) Weight of rain that collects on a roof;
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in **d.(1)(a)** through **d.(1)(e)**, we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation, contributes to the collapse.

- (2) If the direct physical loss or damage does not involve collapse of a building or any part of a building, we will pay for loss or damage to Covered Property caused by the collapse of personal property only if:

- (a) The personal property which collapses is inside a building insured under this policy; and

- (b) The collapse was caused by a cause of loss listed in **d.(1)(a)** through **d.(1)(f)** above.

- (3) With respect to the following property:

- (a) Awnings;
- (b) Gutters and downspouts;
- (c) Yard fixtures;
- (d) Outdoor swimming pools;
- (e) Piers, wharves and docks;
- (f) Beach or diving platforms or appurtenances;
- (g) Retaining walls; and
- (h) Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in **d.(1)(b)** through **d.(1)(f)**, we will pay for loss or damage to that property only if such loss or damage is a direct result of the collapse of a building insured under this policy and the property is Covered Property under this policy.

- (4) Collapse does not include settling, cracking, shrinkage, bulging or expansion.

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

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

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

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

f. Business Income

(1) Business Income

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

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage.

Business Income means the:

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

Ordinary payroll expenses mean payroll expenses for all your employees except:

- (a) Officers;
- (b) Executives;

- (c) Department Managers;
- (d) Employees under contract; and
- (e) Additional Exemptions shown in the Declarations as:
 - (i) Job Classifications; or
 - (ii) Employees.

Ordinary payroll expenses include:

- (a) Payroll;
- (b) Employee benefits, if directly related to payroll;
- (c) FICA payments you pay;
- (d) Union dues you pay; and
- (e) Workers' compensation premiums.

(2) Extended Business Income

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

- (a) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 30 consecutive days after the date determined in (2)(a) above.

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

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

This Additional Coverage is not subject to the Limits of Insurance.

g. Extra Expense

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

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

- (2) Extra Expense means expense incurred:

- (a) To avoid or minimize the suspension of business and to continue "operations":
 - (i) At the described premises; or
 - (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
- (b) To minimize the suspension of business if you cannot continue "operations".
- (c) To:
 - (i) Repair or replace any property; or
 - (ii) Research, replace or restore the lost information on damaged "valuable papers and records":

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

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

h. Pollutant Clean Up And Removal

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

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

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

i. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for necessary Extra Expense will begin immediately after the time of that action and ends:

- (1) 3 consecutive weeks after the time of that action; or
- (2) When your Business Income coverage ends;

whichever is later.

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

j. Money Orders And Counterfeit Paper Currency

We will pay for loss due to the good faith acceptance of:

- (1) Any U.S. or Canadian post office, express company, or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or

- (2) Counterfeit United States or Canadian paper currency;
in exchange for merchandise, "money" or services or as part of a normal business transaction.

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

k. Forgery And Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500.

l. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in I.(3) through I.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in I.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
- (a) You were required to comply with before the loss, even when the building was undamaged; and
- (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$5,000.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
- (i) Until the property is actually repaired or replaced, at the same or another premises; and
- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in I.(6) of this Additional Coverage, is not subject to such limitation.

m. Exterior Building Glass

- (1) We will pay for direct physical loss of or damage to glass, including lettering or ornamentation, that is part of the exterior of a covered building or structure at the described premises. The glass must be owned by you, or owned by others but in your care, custody or control. We will also pay for necessary:
- (a) Expenses incurred to put up temporary plates or board up openings;
- (b) Repair or replacement of encasing frames; and

- (c) Expenses incurred to remove or replace obstructions.

(2) Paragraph A.3., **Covered Causes Of Loss** and Section B., **Exclusions** do not apply to this Additional Coverage, except for:

- (a) Paragraph B.1.b., Earth Movement;
- (b) Paragraph B.1.c., Governmental Action;
- (c) Paragraph B.1.d., Nuclear Hazard;
- (d) Paragraph B.1.f., War And Military Action; and
- (e) Paragraph B.1.g., Water.

(3) We will not pay for loss or damage caused by or resulting from:

- (a) Wear and tear;
- (b) Hidden or latent defect;
- (c) Corrosion; or
- (d) Rust.

(4) The most we pay under this Additional Coverage is the Building Limit of Insurance shown in the Declarations.

However, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property, the most we will pay under this Additional Coverage is the Tenant's Exterior Building Glass Limit of Insurance shown in the Declarations.

6. Coverage Extensions

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

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, unless a higher Limit of Insurance is shown in the Declarations.

a. Personal Property At Newly Acquired Premises

(1) You may extend the insurance that applies to Business Personal Property to apply to that property at any premises you acquire.

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

(2) Insurance under this Extension for each newly acquired premises will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire or begin construction at the new premises; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the premises.

b. Personal Property Off Premises

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$5,000.

c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

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

The most we will pay for loss or damage under this Extension is \$2,500, but not more than \$500 for any one tree, shrub or plant.

d. Personal Effects

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

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

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

e. "Valuable Papers And Records"

(1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research lost information on "valuable papers and records" for which duplicates do not exist.

(2) This Coverage Extension does not apply to:

- (a) Property held as samples or for delivery after sale;
- (b) Property in storage away from the premises shown in the Declarations.

- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$5,000, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$2,500.

- (4) Section **B. Exclusions** of this Coverage Form does not apply to this Coverage Extension except for:

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

f. Accounts Receivable

- (1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

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

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$5,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$2,500.

- (3) Section **B. Exclusions** of this Coverage Form does not apply to this Coverage Extension except for:

- (a) Paragraph **B.1.c.**, Governmental Action;
- (b) Paragraph **B.1.d.**, Nuclear Hazard;

- (c) Paragraph **B.1.f.**, War And Military Action;

- (d) Paragraph **B.2.f.**, Dishonesty;

- (e) Paragraph **B.2.g.**, False Pretense;

- (f) Paragraph **B.3.**; and

- (g) The Accounts Receivable and "Valuable Papers And Records" Exclusions.

B. Exclusions

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

a. Ordinance Or Law

The enforcement of any ordinance or law:

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

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property 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 property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

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

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

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

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

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

f. War And Military Action

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

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or

- (c) Doors, windows or other openings.

But if Water, as described in **B.1.g.(1)** through **B.1.g.(4)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

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

a. Electrical Apparatus

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

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

d. Steam Apparatus

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

e. Frozen Plumbing

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

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

f. Dishonesty

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others;
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

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

g. False Pretense

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

h. Exposed Property

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

i. Collapse

Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

j. Pollution

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

k. Other Types Of Loss

- (1) Wear and tear;
- (2) Rust, corrosion, fungus, 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; or
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if an excluded cause of loss that is listed in **B.2.k.(1)** through **B.2.k.(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

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

a. Weather Conditions

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

b. Acts Or Decisions

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

c. Negligent Work

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;
of part or all of any property on or off the described premises.

4. Business Income And Extra Expense Exclusions

We will not pay for:

- a. Any Extra Expense, or increase of Business Income 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. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".
- b. Any other consequential loss.

5. Accounts Receivable And "Valuable Papers And Records" Exclusions

The following additional exclusions apply to the Accounts Receivable and "Valuable Papers And Records" Coverage Extensions:

- a. We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (a) Programming errors or faulty machine instructions;
- (b) Faulty installation or maintenance of data processing equipment or component parts;

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

- b. Applicable to "Valuable Papers and Records" only:

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

- (1) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by the fire or explosion.
- (2) Wear and tear, gradual deterioration or latent defect.

- c. Applicable to Accounts Receivable only:

We will not pay for:

- (1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

C. Limits Of Insurance

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
- 2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.
- 3. The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

4. Building Limit - Automatic Increase

- a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:

- (1) The Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit, times
- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
- (3) The number of days since the beginning of the current policy year of the effective date of the most recent policy change amending the Building limit, divided by 365.

Example:

If: The applicable Building limit is \$100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is

$\$100,000 \times .08 \times 146 \text{ divided by } 365 = \$3,200.$

5. Business Personal Property Limit - Seasonal 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 or damage occurs; or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.

D. Deductibles

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
- 2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages and the Additional Coverage - Exterior Building Glass in any one occurrence is the Optional Coverage/Exterior Building Glass Deductible shown in the Declarations:
 - a. Money and Securities;
 - b. Employee Dishonesty;
 - c. Interior Glass; and
 - d. Outdoor Signs.

But this Optional Coverage/Exterior Building Glass Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

3. No deductible applies to the following Additional Coverages:

- a. Fire Department Service Charge;
- b. Business Income;
- c. Extra Expense; and
- d. Civil Authority.

E. Property Loss Conditions

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties In The Event Of Loss Or Damage

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

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

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

- (8) Cooperate with us in the investigation or settlement of the claim.

- (9) Resume all or part of your "operations" as quickly as possible.

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

4. Legal Action Against Us

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

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

5. Limitation - Electronic Media And Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or

- (3) Programming records used for electronic data processing or electronically controlled equipment.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

6. Loss Payment

In the event of loss or damage covered by this policy:

a. At our option, we will either:

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

b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

c. We will not pay you more than your financial interest in the Covered Property.

d. Except as provided in (2) through (8) below, we will determine the value of Covered Property as follows:

(1) At replacement cost without deduction for depreciation, subject to the following:

- (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:**

- (i) The Limit of Insurance under this policy that applies to the lost or damaged property;**

- (ii) The cost to replace, on the same premises, the lost or damaged property with other property:**

- i. Of comparable material and quality; and**

- ii. Used for the same purpose; or**

- (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.**

- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:**

- (i) The actual cash value of the lost or damaged property; or**

- (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.**

- (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.**

- (d) We will not pay on a replacement cost basis for any loss or damage:**

- (i) Until the lost or damaged property is actually repaired or replaced; and**

- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.**

- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.**

- (2) If the "Actual Cash Value - Buildings" option applies, as shown in the Declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
- (3) The following property at actual cash value:
 - (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Property of others, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;
 - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) Manuscripts;
 - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) Tenants' Improvements and Betterments at:
 - (a) Replacement cost if you make repairs promptly.
 - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - (c) Nothing if others pay for repairs or replacement.
- (6) "Valuable papers and records", including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
 - (a) Blank materials for reproducing the records; and
 - (b) Labor to transcribe or copy the records.

This condition does not apply to "valuable papers and records" that are actually replaced or restored.
- (7) Applicable only to the Optional Coverages:
 - (a) "Money" at its face value; and
 - (b) "Securities" at their value at the close of business on the day the loss is discovered.
- (8) Applicable only to Accounts Receivable:
 - (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
 - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
 - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (i) The amount of the accounts for which there is no loss or damage;
 - (ii) The amount of the accounts that you are able to re-establish or collect;
 - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) All unearned interest and service charges.
- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

7. Recovered Property

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

8. Resumption Of Operations

We will reduce the amount of your:

- a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

9. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- (b) When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more of its total square footage:
 - (i) Is not rented; or
 - (ii) Is not used to conduct customary operations.

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

b. Vacancy Provisions

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

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;

- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

F. Property General Conditions

1. Control Of Property

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

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

2. Mortgageholders

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

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

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

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

3. No Benefit To Bailee

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

4. Policy Period, Coverage Territory

Under this form:

- a. We cover loss or damage commencing:
 - (1) During the policy period shown in the Declarations; and
 - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
 - (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

1. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
 - (1) Owned by you; or
 - (2) Owned by others but in your care, custody or control.
- b. Paragraph A.3., **Covered Causes Of Loss**, and Section B., **Exclusions**, do not apply to this Optional Coverage, except for:
 - (1) Paragraph B.1.c., Governmental Action;
 - (2) Paragraph B.1.d., Nuclear Hazard; and
 - (3) Paragraph B.1.f., War And Military Action.
- c. We will not pay for loss or damage caused by or resulting from:
 - (1) Wear and tear;

- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

- d. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.
- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Interior Glass

- a. We will pay for direct physical loss of or damage to items of glass that are permanently affixed to the interior walls, floors or ceilings of a covered building or structure at the described premises, provided each item is:
 - (1) Described in the Declarations as covered under this Optional Coverage; and
 - (2) Located in the basement or ground floor level of the building or structure, unless the Declarations show that this Optional Coverage is applicable to interior glass at all floors; and
 - (3) Owned by you, or owned by others but in your care, custody or control.
- b. We will also pay for necessary:
 - (1) Expenses incurred to put up temporary plates or board up openings;
 - (2) Repair or replacement of encasing frames; and
 - (3) Expenses incurred to remove or replace obstructions.
- c. Paragraph A.3., **Covered Causes Of Loss**, and Section B., **Exclusions**, do not apply to this Optional Coverage, except for:
 - (1) Paragraph B.1.c., Governmental Action;
 - (2) Paragraph B.1.d., Nuclear Hazard; and
 - (3) Paragraph B.1.f., War And Military Action.
- d. We will not pay for loss or damage caused by or resulting from:
 - (1) Wear and tear;
 - (2) Hidden or latent defect;
 - (3) Corrosion; or
 - (4) Rust.
- e. This Optional Coverage supersedes all limitations in this policy that apply to interior glass.

3. Money And Securities

- a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
 - (1) Theft, meaning any act of stealing;
 - (2) Disappearance; or
 - (3) Destruction.
- b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
 - (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of property in any exchange or purchase; or
 - (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- c. The most we will pay for loss in any one occurrence is:
 - (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution; and
 - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.
- d. All loss:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;is considered one occurrence.
- e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

4. Employee Dishonesty

- a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also

- (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.
- b. We will not pay for loss or damage:
 - (1) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.
 - (2) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
- c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
- d. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;is considered one occurrence.
- e. We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- f. This Optional Coverage does not apply to any employee immediately upon discovery by:
 - (1) You; or
 - (2) Any of your partners, officers or directors not in collusion with the employee;of any dishonest act committed by that employee before or after being hired by you.
- g. We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- h. If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:
 - (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and

- (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i. The insurance under Paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
 - (1) This Optional Coverage as of its effective date; or
 - (2) The prior insurance had it remained in effect.

5. Mechanical Breakdown

- a. We will pay for direct damage to Covered Property caused by an Accident to an Object. The Object must be:
 - (1) Owned by you or in your care, custody or control; and
 - (2) At the described premises.
- b. Accident means a sudden and accidental breakdown of the Object or a part of the Object. At the time the breakdown occurs, it must manifest itself by physical damage to the Object that necessitates repair or replacement.
- c. None of the following is an Accident:
 - (1) Depletion, deterioration, corrosion or erosion;
 - (2) Wear and tear;
 - (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (4) Breakdown of any vacuum tube, gas tube or brush;
 - (5) Breakdown of any electronic computer or electronic data processing equipment;
 - (6) Breakdown of any structure or foundation supporting the Object or any of its parts;
 - (7) The functioning of any safety or protective device; or
 - (8) The explosion of gases or fuel within the furnace of any Object or within the flues or passages through which the gases of combustion pass.
- d. Object means any of the following equipment:
 - (1) Boiler and Pressure Vessels:
 - (a) Steam heating boilers and condensate return tanks used with them;
 - (b) Hot water heating boilers and expansion tanks used with them;
 - (c) Hot water supply boilers;
 - (d) Other fired or unfired vessels used for maintenance or service of the described premises but not used for processing or manufacturing;

- (e) Steam boiler piping, valves, fittings, traps and separators, but only if they:
 - (i) Are on your premises or between parts of your premises;
 - (ii) Contain steam or condensate of steam; and
 - (iii) Are not part of any other vessel or apparatus;
 - (f) Feed water piping between any steam boiler and a feed pump or injector.
- (2) Air Conditioning Units - Any air conditioning unit that has a capacity of 60,000 Btu or more, including:
 - (a) Inductors, convectors and coils that make use of a refrigerant and form part of a cooling, humidity control or space heating system;
 - (b) Interconnecting piping, valves and fittings containing only a refrigerant, water, brine or other solution;
 - (c) Vessels heated directly or indirectly that:
 - (i) Form part of an absorption type system; and
 - (ii) Function as a generator, regenerator or concentrator;
 - (d) Compressors, pumps, fans and blowers used solely with the system together with their driving electric motors; and
 - (e) Control equipment used solely with the system.
- e. Object does not mean:
 - (1) As Boiler and Pressure Vessels:
 - (a) Equipment that is not under internal vacuum or internal pressure other than weight of contents;
 - (b) Boiler settings;
 - (c) Insulating or refractory material; or
 - (d) Electrical, reciprocating or rotating apparatus within or forming a part of the boiler or vessel.
 - (2) As Air Conditioning Units, any:
 - (a) Vessel, cooling tower, reservoir or other source of cooling water for a condenser or compressor, or any water piping leading to or from that source; or
 - (b) Wiring or piping leading to or from the unit.
- f. We will not pay for an Accident to any Object while being tested.

g. Suspension

Whenever an Object is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an Accident to that Object. This can be done by delivering or mailing a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the Object is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

H. Property Definitions

1. "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.

2. "Operations" means your business activities occurring at the described premises.

3. "Period of restoration" means the period of time that:

a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

5. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

6. "Specified Causes of Loss" means the following:

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land into man-made underground cavities.

b. Falling objects does not include loss of or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means 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.

7. "Valuable papers and records" means inscribed, printed, or written:

- a. Documents;
- b. Manuscripts; and
- c. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean:

- d. "Money" or "Securities";
- e. Converted Data;
- f. Programs or instructions used in your data processing operations, including the materials on which the data is recorded.

BUSINESSOWNERS COMMON POLICY CONDITIONS

All coverages of 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. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy.
 - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (a) Seasonal unoccupancy; or
 - (b) Buildings in the course of construction, renovation or addition.Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
 - (2) After damage by a covered cause of loss, permanent repairs to the building:
 - (a) Have not started, and
 - (b) Have not been contracted for, within 30 days of initial payment of loss.
 - (3) The building has:
 - (a) An outstanding order to vacate;
 - (b) An outstanding demolition order; or
 - (c) Been declared unsafe by governmental authority.
 - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
 - (5) Failure to:
 - (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

c. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

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

C. Concealment, Misrepresentation Or Fraud

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

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

D. Examination Of Your Books And Records

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

E. Inspections And Surveys

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations 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:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

F. Insurance Under Two Or More Coverages

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

G. Liberalization

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

H. Other Insurance

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
2. Business Liability Coverage is excess over any other insurance that insures for direct physical loss or damage.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

I. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:

- a. Paid to us prior to the anniversary date; and
- b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Businessowners Property Coverage:

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

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

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

L. Transfer Of Your Rights And Duties Under This Policy

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

- A. The Transfer Of Your Rights And Duties Under This Policy** Common Policy Condition is replaced by the following:

K. 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.

If you die, this Policy will remain in effect as provided in 1. or 2. below, whichever is later:

1. For 180 days after your death regardless of the policy period shown in the Declarations, unless the insured property is sold prior to that date; or
2. Until the end of the policy period shown in the Declarations, unless the insured property is sold prior to that date.

Coverage during the period of time after your death is subject to all provisions of this policy including payment of any premium due for the policy period shown in the Declarations and any extension of that period.

- B. The following is added to the Loss Payment Property Loss Condition and supersedes any provision to the contrary:**

NOTICE OF ACCEPTANCE OR DENIAL OF CLAIM

1. Except as provided in 3. below, we will give you notice, within 15 working days after we receive a properly executed proof of loss, that we:
 - a. Accept your claim;

- b. Deny your claim; or

- c. Need more time to determine whether your claim should be accepted or denied.

If we deny your claim, such notice will be in writing, and will state any policy provision, condition or exclusion used as a basis for the denial.

If we need more time to determine whether your claim should be accepted or denied, the written notice will state the reason why more time is required.

2. If we have not completed our investigation, we will notify you again in writing, within 30 days after the date of the initial notice as provided in 1.c. above, and thereafter every 45 days. The written notice will state why more time is needed to investigate your claim and when you may expect us to reach a decision on your claim.
 3. The notice procedures in 1. and 2. above do not apply if we have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or contributed to the loss by arson or other illegal activity. Under such circumstances, we will notify you of the disposition of your claim within a period of time reasonable to allow full investigation of the claim, after we receive a properly executed proof of loss.
- C. The following is added to any provision which uses the term actual cash value:**
- Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind or quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained a partial or total loss or damage.
- The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS STANDARD AND SPECIAL PROPERTY COVERAGE FORMS including any attached endorsement that may provide specialized coverage on computers.

The following exclusion is added to Paragraph B., **Exclusions** in the Businessowners Standard and Special Property Coverage Forms:

1. We will not pay for loss or damage, caused by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.
 - a. The failure, malfunction or inadequacy of:
 - (1) Any of the following, whether belonging to any insured or to others:
 - (a) Computer hardware, including microprocessors or other Electronic Data Processing Equipment as may be described elsewhere in this policy;
 - (b) Computer application software or other Electronic Media and Records as may be described elsewhere in this policy;
 - (c) Computer operating systems and related software;
 - (d) Computer networks;
 - (e) Microprocessors (computer chips) not part of any computer system; or
 - (f) Any other computerized or electronic equipment or components; or
 - (2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph 1.a.(1) of this endorsement;
due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph 1.a. of this endorsement.
2. If excluded loss or damage, as described in Paragraph 1.a. of this endorsement results in:
 - a. A "Specified Cause of Loss" under the Businessowners Special Property Coverage Form; or
 - b. A Covered Cause of Loss under the Businessowners Standard Property Coverage Form;we will pay only for the loss or damage caused by such "Specified Cause of Loss" or Covered Cause of Loss.
3. We will not pay for repair, replacement or modification of any items in 1.a.(1) or 1.a.(2) of this endorsement to correct any deficiencies or change any features.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - YEAR 2000 COMPUTER-RELATED AND
OTHER ELECTRONIC PROBLEMS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following exclusion is added to Paragraph B., **Exclusions** in the Businessowners Liability Coverage Form:

1. This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" arising directly or indirectly out of:
 - a. Any actual or alleged failure, malfunction, or inadequacy of:
 - (1) Any of the following, whether belonging to any insured or to others:
 - (a) Computer hardware, including microprocessors or other Electronic Data Processing Equipment as may be described elsewhere in the policy;
 - (b) Computer application software or other Electronic Media and Records as may be described elsewhere in the policy;
 - (c) Computer operating systems and related software;

- (d) Computer networks;
 - (e) Microprocessors (computer chips) not part of any computer system; or
 - (f) Any other computerized or electronic equipment or components; or
 - (2) Any other products and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph 1.a.(1) of this endorsement
due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.
- b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph 1.a. of this endorsement.

BUSINESSOWNERS LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. 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 C - Who Is An Insured.

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

A. Coverages

1. Business Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage", "personal injury", or "advertising injury" 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 D - Liability And Medical Expenses Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph f. **Coverage Extension - Supplementary Payments.**

- b. This insurance applies:

(1) To "bodily injury" and "property damage" only if:

(a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(b) The "bodily injury" or "property damage" occurs during the policy period; and

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

(2) To:

(a) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;

(b) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

but only if the offense was committed in the "coverage territory" during the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph C.1. **Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph C.1. **Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- f. Coverage Extension - Supplementary Payments**
- (1) In addition to the Limit of Insurance, we will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
- (a) All expenses we incur.
 - (b) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
 - (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
 - (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - (e) All costs taxed against the insured in the "suit".
 - (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.
- (2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
- (a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - (b) This insurance applies to such liability assumed by the insured;
 - (c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - (d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - (f) The indemnitee:
 - (i) Agrees in writing to:
 - i. Cooperate with us in the investigation, settlement or defense of the "suit";
 - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - iii. Notify any other insurer whose coverage is available to the indemnitee; and
 - iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (ii) Provides us with written authorization to:
 - i. Obtain records and other information related to the "suit"; and
 - ii. Conduct and control the defense of the indemnitee in such "suit".

- (3) So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Subparagraph 1.b.(2) under Paragraph B. Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (a) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in Paragraph A.1.f.(2)(f) above are no longer met.

2. Medical Expenses

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

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

- (1) The accident 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 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 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.

B. Exclusions

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises, for consumption on your premises;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

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

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

This exclusion applies only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;
- (2) Serve or furnish alcoholic beverages for a charge whether or not such activity:
 - (a) Requires a license;
 - (b) Is for the purpose of financial gain or livelihood;
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity; or
- (4) Permit any person to bring any alcoholic beverages on your premises, for consumption on your premises.

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily Injury" to:

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

This exclusion applies:

- (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. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:

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

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

g. Aircraft, Auto Or Watercraft

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

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;

- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
 - (b) The operation of any of the following equipment:
 - (i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

h. Mobile Equipment

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

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

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Professional Services

"Bodily injury", "property damage", "personal injury" or "advertising injury" due to rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;

- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services; and
- (9) Services in the practice of pharmacy; but this exclusion does not apply to an insured whose operations include those of a retail druggist or drugstore.

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

k. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or

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

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

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

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

l. Damage To Your Product

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

m. Damage To Your Work

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

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

n. Damage To Impaired Property Or Property Not Physically Injured

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

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

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

o. Recall Of Products, Work Or Impaired Property

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

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

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

p. Personal Or Advertising Injury

"Personal injury" or "advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury";
- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (4) Arising out of a criminal act committed by or at the direction of any insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your advertisement;
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your advertisement;
- (8) Arising out of the wrong description of the price of goods, products or services stated in your advertisement;
- (9) Committed by an insured whose business is:
 - (a) Advertising, broadcasting, publishing or telecasting;
 - (b) Designing or determining content of web-sites for others; or

- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 13.a., b. and c. of "personal injury" under Paragraph F. Liability And Medical Expenses Definitions.

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

- (10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (11) With respect to any loss, cost or expense arising out of any:
- (a) Request, demand or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of, "pollutants".
- (12) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.
- (13) 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.
- (14) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

As used in this exclusion, advertisement means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. Advertisement includes notices or material that are published or placed on the Internet or on similar electronic means of communication. 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.

q. Electronic Data

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

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

r. Abuse or Molestation

"Bodily injury", "property damage", "advertising injury" or "personal injury" arising out of:

- (1) The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
- (2) The negligent:
- (a) Employment;
- (b) Investigation;
- (c) Supervision;
- (d) Reporting to the proper authorities, or failure to so report; or
- (e) Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by (1) above.

s. Employment-Related Practices

"Bodily injury" or "personal injury" to:

- (1) A person arising out of any:
- (a) Refusal to employ that person;
- (b) Termination of that person's employment; or
- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

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

t. Violation of Communications and Information Privacy Laws

"Bodily injury", "property damage", "personal injury", or "advertising injury" arising directly or indirectly out of:

- a. Any action or omission that violates or is alleged to violate:
- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.
- b. The unauthorized viewing, copying, collection, dissemination, disclosure, manipulation, printing, disposal, recording or use of personal information in any manner, by any person that is in violation of any applicable law, statute, ordinance or regulation.

Exclusions c. through e. and g. through n. do not apply to "property damage" to premises while rented to you, or temporarily occupied by you with permission of the owner. Exclusion f. does not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section D., Limits of Insurance.

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the "products - completed operations hazard".
- g. Excluded under Business Liability Coverage.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage - Nuclear Energy Liability Exclusion

This insurance does not apply:

- a. Under Business Liability Coverage, to "bodily injury" or "property damage":
- (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
- (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

- (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:
- (1) The "nuclear material":
- (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
- (b) Has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts, or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:

"By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Hazardous properties" include radioactive, toxic or explosive properties;

"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 material" means "source material", "special nuclear material" or "by-product material";

"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.

"Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Special nuclear material" has the meaning given it 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 Paragraphs (a) and (b) of the definition of "nuclear facility".

C. Who Is An Insured

1. If you are designated in the Declarations as:

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

2. Each of the following is also an insured:

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

(1) "Bodily injury" or "personal injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in Paragraphs (1)(a) or (1)(b); or

- (d) Arising out of his or her providing or failing to provide professional health care services. However, if you have "employees" who are pharmacists in your retail druggist or drugstore operation, they are insured with respect to their providing or failing to provide professional health care services; or

(2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", 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 any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

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

D. Liability And Medical Expenses Limits Of Insurance

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
 - b. Claims made or "suits" brought; or,
 - c. Persons or organizations making claims or bringing "suits".

2. The most we will pay for the sum of all damages because of all:

- a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and
- b. "Personal injury" and "advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

3. The most we will pay under Business Liability Coverage for damages because of "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, is the Damage To Premises Rented To You Coverage limit shown in the Declarations.

4. Aggregate Limits

The most we will pay for:

- a. Injury or damage under the "products - completed operations hazard" arising from all "occurrences" during the policy period is the Liability and Medical Expenses limit; and
- b. All other injury or damage, including medical expenses, arising from all "occurrences" during the policy period is twice the Liability and Medical Expenses limit. This limitation does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner.

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

E. Liability And Medical Expenses General Conditions

1. Bankruptcy

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

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

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

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

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

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

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

- c. You and any other involved insured must:

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

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

3. Legal Action Against Us

No person or organization has a right under this policy:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An

agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Separation Of Insureds

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

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

5. Medical Expenses

Any injured person making a claim under Medical Expenses must comply with all applicable provisions of this policy to be eligible for payment of medical expenses. Additionally any payment made under the Medical Expenses Coverage will be credited against any claim for medical expenses the injured party is legally entitled to recover from an insured. The injured person may not collect for the same medical expenses under both the Medical Expenses and Business Liability Coverage.

If requested by us, the injured person must execute a medical expenses proof of loss form supplied by us. The form must be signed and returned to us before any payments will be made under the Medical Expenses Coverage.

F. Liability And Medical Expenses Definitions

1. "Advertising injury" means injury arising out of one or more of the following offenses:
 - a. 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;
 - b. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.

2. "Auto" means:

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

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

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

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or

c. All parts of the world if:

(1) The injury or damage arises out of:

- (a) Goods or products made or sold by you in the territory described in a. above; or
- (b) 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; and

(2) 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 we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
- (2) Your fulfilling the terms of the contract or agreement.

8. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

9. "Insured contract" means:

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

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

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;

- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

- (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

- (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services.

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

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

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

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

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

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in 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 land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions. "Occurrence" also means an accident involving:
- a. "Property damage" to "your work" if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor and the "property damage" is included within the "products-completed operations hazard"; or
 - b. "Property damage" to other than "your work" that arises from "your work".

14. "Personal 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, 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; or
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy.

15. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products - completed operations hazard":

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

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

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- c. "Property damage" does not include any loss, cost or expense to correct any defective, faulty or incorrect work performed by you or by any contractors or subcontractors working directly or indirectly on your behalf.

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

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

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

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

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

20. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (1) You;
- (2) Others trading under your name; or
- (3) A person or organization whose business or assets you have acquired; and

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

"Your product" includes:

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

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

21. "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:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE*

Designation of Premises (Part Leased to You):

Name of Person or Organization (Additional Insured):

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

- I. The following provisions apply with respect to the insurance provided by the Businessowners Liability Coverage Form.
 - A. With respect to the insurance provided by this endorsement, the following is added to Paragraph C. **Who Is An Insured**:
 4. The person or organization shown in the Schedule is also an insured, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by your ongoing operations performed in that part of the premises leased to you and shown in the Schedule. However:
 - a. This insurance does not apply to:
 - (1) Any "occurrence" that takes place after you cease to be a tenant in the premises described in the Schedule.
 - (2) Structural alterations, new construction or demolition operations performed by or for the person or organization designated in the Schedule.
 - b. The insurance afforded to such additional insured only applies to the extent permitted by law; and
 - c. The insurance afforded to such additional insured will not be broader than:
 - (1) The coverage you have agreed to provide in the written contract or agreement; or
 - (2) The coverage provided by this endorsement.
 - B. With respect to the Insurance provided by this endorsement, the following is added to Paragraph D. **Liability And Medical Expenses Limits Of Insurance**:
 5. The most we will pay under the insurance provided by this endorsement is:
 - a. The applicable limit of insurance to which you have agreed in the written contract or agreement to provide; or
 - b. The applicable Limit of Insurance shown in the Declarations,whichever is less.
 - II. The Businessowners Common Policy Conditions form is amended as follows.

With respect to the Insurance provided by this endorsement, Paragraph H. **Other Insurance** is replaced by the following:

H. Other Insurance

This insurance is excess over any other valid and collectible insurance, whether primary, excess, contingent or on any other basis, unless you have agreed in a written contract or agreement for this insurance to apply on either a:

 - (1) Primary and non-contributory basis; or
 - (2) Contributory basis.

POLICY NUMBER:
March 16, 2020 (WF)

When this insurance is excess, we will have no duty under Business Liability Coverage 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 Other Insurance provision and was not bought specifically to apply in excess of the Liability and Medical Expenses limit shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO LIABILITY

Important Notice: The hired auto liability coverage and the non-owned auto liability coverage provided by this endorsement is incidental to the primary purpose of this policy. No person will be eligible to receive any benefits payable under any no-fault law, personal injury protection law, uninsured motorist law, or underinsured motorist law in the event of a motor vehicle accident from the coverage provided by this endorsement.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE

Coverage	Additional Premium
Hired Auto Liability	\$
Non-owned Auto Liability	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

I. The following provisions apply with respect to the insurance provided by the Businessowners Liability Coverage Form.

A. Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule.

1. Hired Auto Liability

The insurance provided under Paragraph **A.1. Business Liability** applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

2. Non-owned Auto Liability

The insurance provided under Paragraph **A.1. Business Liability** applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person.

B. For insurance provided by this endorsement only:

1. Exclusions **e., g., h., and k.** under Paragraph **B.1. Applicable To Business Liability Coverage** do not apply.

2. The following is added to paragraph **B. Exclusions**:

This insurance does not apply to:

a. **(1) "Bodily injury" to:**

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

(i) Employment by the insured; or

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

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

(2) This exclusion applies:

(a) Whether the insured may be liable as an employer or in any other capacity; and

(b) To any obligation to share damages with or repay someone else who must pay damages because of injury.

(3) This exclusion does not apply to:

(a) Liability assumed by the insured under an "insured contract"; or

- (b) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers' compensation law.
 - b. "Property damage" to:
 - (1) Property owned or being transported by, or rented or loaned to the insured; or
 - (2) Property in the care, custody or control of the insured.
 - c. Any loss, cost or expense payable under or resulting from any first party physical damage coverage; no-fault law; personal injury protection or auto medical payments coverage; or uninsured or underinsured motorist law.
 - 3. Paragraph C. Who Is An Insured is replaced by the following:
 - a. Each of the following is an insured under this endorsement to the extent set forth below:
 - (1) You;
 - (2) Any other person using a "hired auto" with your permission;
 - (3) For a "non-owned auto":
 - (a) Any partner (if you are a partnership), member (if you are a limited liability company), or "executive officer" of yours; or
 - (b) Any "employee" of yours;
but only while such "non-owned auto" is being used in your business; and
 - (4) Any other person or organization, but only for their liability because of acts or omissions of an insured under (1), (2) or (3) above.
 - b. None of the following is an insured:
 - (1) Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
 - (2) Any partner (if you are a partnership), member (if you are a limited liability company), or "executive officer" for any "auto" owned by him or her or a member of their household;
 - (3) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
 - (4) The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or employee of any such owner or lessee; or
 - (5) Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.
- C. With respect to the insurance provided by this endorsement, the following Condition is added to paragraph E. **LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS:**
- Two Or More Coverage Forms Or Policies Issued By Us**
- If this policy and any other Coverage Form or policy issued to you by us, or any Company affiliated with us, apply to the same accident, "occurrence", injury, or loss, our maximum limit of liability under all of the policies shall not exceed the limit of liability provided under the one policy providing the highest applicable limit of liability among all such policies. In no event will any limit of liability under this policy be excess over or added to increase the limit of liability under any other policy issued to you by us, or by any Company affiliated with us. This Condition does not apply to any policy issued to you by us, or by any Company affiliated with us, which specifically applies as excess insurance over this policy.
- II. For the purposes of this endorsement only, Paragraph H. **Other Insurance** as found in the Businessowners Common Policy Conditions is replaced by the following:
- This insurance is excess over any primary insurance covering the "hired auto" or "non-owned auto".

- III. With respect to the insurance provided by this endorsement, the following Definitions are added:
- A. "Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
 - B. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), your "executive officers", or members of their households.
 - C. "Non-owned auto" means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company), your "executive officers", or members of their households, but only while used in your business affairs.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

**Prem.
No.**

**Bldg.
No.**

**Protective Safeguards
Symbols Applicable**

Describe any "P-9":

- A.** The following is added to the Property General Conditions in the Businessowners Property Coverage Form:

PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
2. The protective safeguards to which this endorsement applies are identified by the following symbols:

- a. "P-1" Automatic Sprinkler System,** including related supervisory services.

Automatic Sprinkler System means:

- (1) Any automatic fire protective or extinguishing system, including connected:

- (a) Sprinklers and discharge nozzles;
- (b) Ducts, pipes, valves and fittings;
- (c) Tanks, their component parts and supports; and
- (d) Pumps and private fire protection mains.

- (2) When supplied from an automatic fire protective system:

- (a) Non-automatic fire protective systems; and
- (b) Hydrants, standpipes and outlets.

- b. "P-2" Automatic Fire Alarm,** protecting the entire building, that is:

- (1) Connected to a central station; or
- (2) Reporting to a public or private fire alarm station.

- c. "P-3" Security Service,** with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

- d. "P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.

- e. "P-9"** The protective system described in the Schedule.

- B.** The following is added to the **EXCLUSIONS** section of the Businessowners Property Coverage Form:

If a protective device or service indicated in the Schedule above is maintained in order to protect the premises associated with such protective device or service in the Schedule above from risk of loss by:

1. Fire, we will not pay for loss or damage caused by or resulting from fire if, prior to the fire;
2. Theft, we will not pay for loss or damage caused by or resulting from theft if, prior to the theft,

you knew of any suspension or impairment in the protective device or service and failed to notify us of that fact, or you failed to maintain the protective device or service over which you had control in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUSINESS INCOME CHANGES - INCREASED PERIOD OF RESTORATION
(NO WAITING PERIOD)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Paragraph a. under Definition 3. "Period of Restoration" as found in section H. **Property Definitions** is replaced by the following:

3. "Period of restoration" means the period of time that:
 - a. Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACKUP OF SEWERS OR DRAINS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Limit Of Insurance
\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following provisions apply with respect to the insurance provided by the Businessowners Standard Property Coverage Form and the Businessowners Special Property Coverage Form.

A. The following Additional Coverage is added:

Additional Coverage - Water Backup Of Sewers and Drains

The term Covered Causes of Loss includes the Additional Coverage - Water Backup Of Sewers and Drains as described below:

1. We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by
 - a. Water which backs up through or overflows from a sewer or drain; or
 - b. Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment.

The sewer, drain or sump must be inside a building at the premises described in the Declarations. Drain does not include a roof drain, gutter, downspout or similar above ground drainage fixture or equipment.

With respect to Paragraph b. above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

2. The coverage described in Paragraph 1. does not apply to loss or damage resulting from:
 - a. An insured's failure to:
 - (1) Keep a sump pump or its related equipment in proper working condition; or

- (2) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

- b. Flood or conditions related to flood, including but not limited to, the backup of sewers, drains or sumps due to the overwhelming of such sewers, drains or sumps by flood.

Flood includes:

- (1) Surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge); or

- (2) Mudslide or mudflow.

regardless of whether any of the above is caused by an act of nature or is otherwise caused.

3. The most we will pay per location for the coverage provided under this endorsement is Limit of Insurance indicated in the Schedule of this endorsement.

B. Subparagraph 1.g. **Water** as found under paragraph **B. Exclusions** is replaced by the following:

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

- (2) Mudslide or mudflow;

- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment, except as provided in the Additional

Coverage - Water Backup Of Sewers and Drains;

- (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) Water-borne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3), or (4), or material carried or otherwise moved by mudslide or mudflow.

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

But if Water, as described in Paragraphs (1) through (5) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REMOVAL OF INSURANCE-TO-VALUE PROVISION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

Subparagraph d.(1) under Paragraph 6. **Loss Payment** as found in section **E. Property Loss Conditions** is replaced by the following:

- (1) At replacement cost without deduction for depreciation, subject to the following:
 - (a) We will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (i) The Limit of Insurance under this policy that applies to the lost or damaged property;
 - (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
 - i. Of comparable material and quality; and
 - ii. Used for the same purpose; or
 - (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.
 - (b) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
 - (c) We will not pay on a replacement cost basis for any loss or damage:
 - (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
 - (d) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE

Name Of Person Or Organization:
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following provision is added to Condition **K.2. Transfer Of Rights Of Recovery Against Others To Us** as found in the Businessowners Common Policy Conditions form and supersedes any provisions to the contrary.

With respect to the insurance provided by the Businessowners Liability Coverage Form only, including any forms and/or endorsements modifying the insurance provided by the Businessowners Liability Coverage Form, we waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of "your work" included in the "products-completed operations hazard" or your ongoing operations, subject to the following:

- a. The waiver of your rights of recovery applies only to the person or organization shown in the Schedule above;

- b. You are required under a written contract to waive your rights to recover from the person or organization shown in the Schedule above;
- c. The written contract or agreement was executed and in effect before any "occurrence", offense, injury, damage, accident, wrongful act ("wrongful act"), negligent act, error or omission, loss, or demand, that would give rise to a claim under this Policy;

The waiver of your rights of recovery does not apply with respect to any person who is an engineer or architect, or any organization regarding any engineer or architect employed by such organization, except as agreed to in writing by us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Liability Coverage Form **BPD 00 06**:

A. Exclusion i. under Paragraph B.1., Exclusions - Applicable To Business Liability Coverage is replaced by the following:

1. Applicable To Business Liability Coverage

This insurance does not apply to:

i. War

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

- (1)** War, including undeclared or civil war; or
- (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.

B. Exclusion h. under Paragraph B.2. Exclusions - Applicable To Medical Expenses Coverage does not apply. Medical Expenses due to war are now subject to Exclusion g. of Paragraph B.2. since "bodily injury" arising out of war is now excluded under Paragraph B.1., **Exclusions - Applicable To Business Liability Coverage**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - SILICA OR SILICA-RELATED DUST

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following provisions apply with respect to the insurance provided by the Businessowners Liability Coverage Form including any form or endorsement that is attached to and made a part of this policy, and that modifies the liability coverage.

- A.** The following Exclusions are added to Subparagraph **1. Applicable To Business Liability Coverage** as found under Paragraph **B. Exclusions**:

This insurance does not apply to:

SILICA OR SILICA-RELATED DUST

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
3. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

4. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

- B.** The following definitions are added to Paragraph **F. Definitions**:

1. "Silica" means silicon dioxide, (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

A. CAP ON CERTIFIED TERRORISM LOSSES

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Program, established by the Terrorism Risk Insurance Act and any applicable renewal, extension or continuation of the Terrorism Risk Insurance Program by the federal government. The criteria contained in that Act for a "certified act of terrorism" includes 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 Program; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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

- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Liability Coverage Form **BPD 00 06**:

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Program, established by the Terrorism Risk Insurance Act and any applicable renewal, extension or continuation of the Terrorism Risk Insurance Program by the federal government. The criteria contained in that Act for a "certified act of terrorism" includes 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 Program; 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF COVERAGE -
"FUNGI", WET ROT OR DRY ROT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE*

Revised Limit \$ _____
Separate Premises Or Locations Option YES <input type="checkbox"/> NO <input type="checkbox"/>
If YES, describe the separate premises or locations:
Business Income/Extra Expense - Revised number of days _____
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

The following provisions apply with respect to the insurance provided by the **Businessowners Property Coverage Form**.

A. Exclusion - "Fungi", Wet Rot Or Dry Rot

We will not pay for loss or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

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

This exclusion does not apply:

- (1) When "fungi", wet rot or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning.

B. The following is added to Additional Coverages as found in Paragraph A. Coverages.

Limited Coverage For "Fungi", Wet Rot or Dry Rot

1. The coverage described in Paragraphs 2. and 6. below only apply when the "fungi", wet or dry rot are the result of a "specified cause of loss" that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
2. We will pay for loss or damage by "fungi", wet or dry rot. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by "fungi", wet or dry rot, including the cost of removal of the "fungi", wet or dry rot;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet or dry rot are present.

3. Unless a higher limit is selected in Schedule, the coverage described under this Limited Coverage is limited to \$15,000. If the Schedule indicates that the Separate Premises Or Locations Options applies, then the amount of coverage is made applicable to separate premises or locations as described in the Schedule. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet or dry rot, we will not pay more than the total of \$15,000 unless a higher limit is selected in the Schedule even if the "fungi", wet or dry rot continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

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

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

C. Fungi Definition

With respect to the provisions of this endorsement, the following Definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION (LIABILITY)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following provisions apply with respect to the insurance provided by the Businessowners Liability Coverage Form including any form or endorsement that is attached to and made a part of this policy, and that modifies the liability coverage.

- A.** The following Exclusions are added to Subparagraph **1. Applicable To Business Liability Coverage** as found under Paragraph **B. Exclusions**:

This insurance does not apply to:

Fungi Or Bacteria

1. "Bodily injury", "property damage" or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

2. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

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

- B.** The following definitions are added to Paragraph **F. Definitions**:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

The following provisions apply with respect to the insurance provided by the Businessowners Property Coverage Form.

- A. The exclusion set forth in Paragraph B. applies to all property coverage under all forms and endorsements that comprise this Businessowners Policy, except as provided in Paragraph C. This includes but is not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- C. However, the exclusion in Paragraph B. does not apply to the following:
 - 1. Loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Businessowners Policy; or
 - 2. Coverage otherwise provided under the Food Contamination Endorsement **BPD 04 31** or the Food Contamination Additional Coverage included in the Businessowners Plus Property Enhancement Endorsement (if one of those endorsements is attached to this Businessowners Policy).
- D. With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to "pollutants".
- 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 Businessowners Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL
INFORMATION AND DATA-RELATED LIABILITY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

A. Exclusion B.1.q. is replaced by the following:

This insurance does not apply to:

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

Damages, arising out of:

- (1)** Any access to, or disclosure or theft of, any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, an individual's name, social security number, driver's license number, state identification number, credit card information, debit card information, account number, account histories, passwords, health information, medical information, or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, inability to transmit or receive, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, monitoring expenses, forensic or investigation 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.

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

**B. The following is added to Paragraph B.1.p. Personal
Or Advertising Injury:**

This insurance does not apply to:

p. Personal Or Advertising Injury

"Personal injury" Or "advertising injury":

Arising out of any access to, or disclosure or theft of, any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, an individual's name, social security number, driver's license number, state identification number, credit card information, debit card information, account number, account histories, passwords, health information, medical information, or any other type of nonpublic information.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS PLUS ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM

SCHEDULE*[illegible]

POLICY NUMBER:
March 16, 2020 (WF)

Coverage	Limit(s) of Insurance	Page

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

- I. The following provisions apply with respect to the insurance provided by the Businessowners Standard Property Coverage Form and the Businessowners Special Property Coverage Form.

A. Premises Boundary

Any reference in the Businessowners Standard Property Coverage Form, the Businessowners Special Property Coverage Form, and any form or endorsement that is made a part of this policy, to within 100 feet of the described premises is broadened to within 500 feet of the described premises.

- B. Paragraph c. **Fire Department Service Charge** under **Additional Coverages** as found in section **A. Coverage** is replaced by the following:

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 the limit of insurance shown in the Schedule above as applicable to Fire Department Service Charge for your liability for fire department service charges:

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

C. Business Income - Ordinary Payroll Expenses - Extended to the Period of Restoration

The third Subparagraph of Paragraph f. (1) **Business Income** under **Additional Coverages** as found in section **A. Coverage** is replaced by the following:

We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.

D. Tenants Exterior Building Glass

The subparagraph (4) of Paragraph m. **Exterior Building Glass** under **Additional Coverages** as found in section **A. Coverage** is replaced by the following:

- (4) The most we pay under this Additional Coverage is the Building Limit of Insurance shown in the Declarations.

However, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property, the most we will pay under this Additional Coverage is the Business Personal Property Limit of Insurance shown in the Declarations.

- E. The following is added to **Additional Coverages** as found in section **A. Coverage**:

n. Business Income And Extra Expense - Newly Acquired Properties

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense due to the necessary suspension of "operations" during the "period of restoration" caused by direct physical loss or damage by a Covered Cause of Loss to property at newly acquired buildings, including personal property in the open, or in a vehicle, within 100 feet. But this Coverage ends for each newly acquired location upon the earlier of:
 - (a) The expiration of this policy;
 - (b) The day you report the new property to us; or
 - (c) The 90th day after you acquire the property.
- (2) The most we will pay under this Additional Coverage in any one occurrence is the limit of insurance shown in the Schedule above as applicable to Business Income And Extra Expense - Newly Acquired Properties.
- (3) The definitions of Business Income and Extra Expense contained in the Business Income Additional Coverage and the Extra Expense Additional Coverage also apply to this Business Income And Extra Expense - Newly Acquired Properties Additional Coverage.

o. Business Income From Dependent Properties

- (1) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to a dependent property caused by or resulting from a Covered Cause of Loss.

The most we will pay under this Additional Coverage is the limit of insurance shown in the Schedule above as applicable to Business Income From Dependent Properties.

- (2) We will reduce the amount of your Business Income loss to the extent you can resume "operations", in whole or in part, by using any other available:

- (a) Source of materials; or
- (b) Outlet for your products.

- (3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

- (4) Dependent property means property owned by others whom you depend on to:

- (a) Deliver materials or services to you, or to others for your account (Contributing Locations). But any property which delivers any of the following services is not a Contributing Location with respect to such services:

- (i) Water supply services;
 - (ii) Power supply services; or
 - (iii) Communication supply services, including services relating to internet access or access to any electronic network;

- (b) Accept your products or services (Recipient Locations);
 - (c) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - (d) Attract customers to your business (Leader Locations).

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

- (5) The definition of Business Income contained in Paragraph A.5.f.(1) **Business Income Additional Coverage** also applies to this Business Income From Dependent Properties Additional Coverage.

p. Fire Extinguishing Equipment Recharge

We will pay for the cost to recharge or refill fire protective equipment at your described premises when discharged:

- (1) To prevent or control a loss;
- (2) Accidentally; or

- (3) As a result of a malfunction of the equipment.

No coverage will apply if the fire extinguishing system is discharged during installation or testing.

The most we will pay under this Additional Coverage is the actual cost/loss sustained in any one occurrence.

q. Food Contamination

- (1) If your business at the described premises is ordered closed by the Board of Health or any other governmental authority as a result of the discovery or suspicion of food contamination, we will pay:

- (a) Your expense to clean your equipment as required by the Board of Health or any other governmental authority;
- (b) Your cost to replace the food which is, or is suspected to be, contaminated;
- (c) Your expense to provide necessary medical tests or vaccinations for your infected employees as required by the Board of Health or any other governmental authority. However, we will not pay for any expense that is otherwise covered under a Workers Compensation Policy;
- (d) Additional advertising expenses you incur to restore your reputation; and
- (e) The actual loss of Business Income you sustain due to the necessary suspension of your "operations". This coverage for Business Income begins immediately after you receive notice of closing from the Board of Health or any other governmental authority.

- (2) Food contamination means an incidence of food poisoning to one or more of your customers as a result of:

- (a) Tainted food you purchased;
- (b) Food which has been improperly stored, handled or prepared; or
- (c) A communicable disease transmitted through one or more of your employees.

(3) The definition of Business Income contained in Paragraph A.5.f.(1) **Business Income Additional Coverage** also applies to this Food Contamination Additional Coverage.

(4) The most we will pay under Paragraphs (1)(a) through (1)(d) of this Additional Coverage is the limit of insurance shown in the Schedule above as applicable to Food Contamination.

The most we will pay under Paragraph (1)(e) of this Additional Coverage is the limit of insurance shown in the Schedule above as applicable to Food Contamination-Business Income.

(5) We will not pay any fines or penalties of any kind levied against you by the Board of Health or any other governmental authority.

r. Inventory And Appraisal

We will pay for the following expenses you incur, as required by this policy, to prepare a claim:

- (1) The cost of taking inventories;
- (2) The cost of making appraisals; and
- (3) The cost of preparing a statement of loss and other supporting exhibits.

We will not pay for any expenses billed by and payable to independent or public insurance adjustors or for expenses to prepare claims not covered by this policy.

The most we will pay for any loss under this Additional Coverage is the limit of insurance shown in the Schedule above as applicable to Inventory And Appraisal.

s. Lock and Key Replacement

We will pay the cost of:

- (1) Repairing or replacing the door locks or tumblers of your described premises if the keys are stolen; and
- (2) Replacing the entry door keys of your described premises if your keys are stolen.

The most we will pay for loss or damage in any one occurrence under this Additional Coverage is the limit of insurance shown in the Schedule above as applicable to Lock and Key Replacement.

t. Ordinance or Law Coverages

This Additional Coverage applies to covered Buildings insured on a Replacement Cost basis.

(1) Coverage 1 - Coverage for Loss to the Undamaged Portion of the Building

If a Covered Cause of Loss occurs to covered Building property, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

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

However, we will not pay for any claim for a loss to the undamaged portion of the covered Building caused by the enforcement of any ordinance or law if:

- (a) The enforcement of the ordinance or law is due to wear and tear, deterioration or lack of maintenance by the owner or the owner's legal designee of the covered Building;
- (b) The covered Building at the time of original construction was not in compliance with the governing ordinance or laws; or
- (c) Previous to the loss, renovations were made to the covered Building and the renovations were not completed in compliance with governing ordinances or laws.

Coverage 1 is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building property. Coverage 1 does not increase the Limit of Insurance.

(2) Coverage 2 - Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered Building property, we will pay the cost to demolish and remove debris of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

Paragraph E.6.d. of the Property Loss Conditions does not apply to Demolition Cost Coverage.

(3) Coverage 3 - Increased Cost of Construction Coverage

If a Covered Cause of Loss occurs to the covered Building property, we will pay for the increased cost to:

- (a) Repair or reconstruct damaged portions of that Building property; and/or
- (b) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

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

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (b) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

Paragraph E.6.d. of the Property Loss Conditions does not apply to the Increased Cost of Construction Coverage.

(4) Loss Payment

- (a) When Coverage 1 applies, loss to the building, including loss in value of the undamaged portion of the building due to enforcement of an ordinance or law, will be determined as follows:
 - (i) If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
 - i. The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- ii. The Limit of Insurance shown in the Declarations as applicable to the covered Building property.

- (ii) If the property is not repaired or replaced, we will not pay more than the lesser of:

- i. The actual cash value of the building at the time of loss; or
- ii. The Limit of Insurance shown in the Declarations as applicable to the covered Building property.

- (b) When Coverage 2 and Coverage 3 applies, the most we will pay for the total of all covered losses for Demolition Cost and Increased Cost of Construction is the limit of insurance shown in the Schedule above as applicable to Ordinance or Law Coverages - Coverage 2 - Demolition Cost Coverage and Coverage 3 - Increased Cost of Construction Coverage at each covered building subject to the following:

- (i) For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (ii) With respect to the Increased Cost of Construction:
 - i. We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

ii. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

iii. If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

(5) The terms of this Additional Coverage apply separately to each building to which this Coverage applies.

(6) We will not pay under this Additional Coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(7) Under this Additional Coverage, we will not pay for loss due to any ordinance or law that:

(a) You were required to comply with before the loss, even if the building was damaged; and

(b) You failed to comply with.

F. Paragraph **b. Personal Property Off Premises** under **Coverage Extensions** as found in section **A. Coverage** is amended by the following:

b. Personal Property Off Premises

In addition to any applicable Limit of Insurance provided for the Personal Property Off Premises Coverage Extension, the additional limit of insurance shown in the Schedule above as applicable to Personal Property Off Premises applies to loss or damage in any one occurrence. All other policy provisions applicable to Personal Property Off Premises Coverage Extension apply.

G. The last paragraph of **c. Outdoor Property** under **Coverage Extensions** as found in section **A. Coverage**, is amended by the following:

c. Outdoor Property

The most we will pay for loss or damage under this Extension is the limit of insurance shown in the schedule above as applicable to Outdoor Property, but not more than \$500 for any one tree, shrub or plant.

H. "Valuable Papers and Records"

Subparagraph (3) under Paragraph **e. "Valuable Papers and Records"** under **Coverage Extensions** as found in section **A. Coverage**, is amended by the following:

(3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is the additional Limit of Insurance shown in the Schedule above as applicable to Valuable Papers and Records plus any Limit of Insurance for "valuable papers and records" shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$2,500.

I. Accounts Receivable

Subparagraph (2) under Paragraph **f. Accounts Receivable** under **Coverage Extensions** as found in section **A. Coverage**, is replaced by the following:

(2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is the additional Limit of Insurance shown in the Schedule above as applicable to Accounts Receivable plus any Limit of Insurance for accounts receivable shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$2,500.

J. The following is added to **Coverage Extensions** as found in section **A. Coverage**:

g. Appurtenant Structures

(1) You may extend the insurance that applies to Buildings to apply to your incidental appurtenant structures at the described premises.

(2) You may extend the insurance that applies to Business Personal Property to apply to Business Personal Property within incidental appurtenant structures at the described premises.

- (3) Incidental appurtenant structures include storage buildings, carports, garages and similar structures which have not been specifically described in the Declarations.

The most we will pay for loss or damage under this Coverage Extension in any one occurrence for any combination of loss or damage to Building and Business Personal Property is the limit of insurance shown in the Schedule above as applicable to Appurtenant Structures.

h. Fine Arts

You may extend the insurance that applies to Business Personal Property to Fine Arts that you own or that are in your care, custody or control.

As used in this Coverage Extension, Fine Arts means property that is rare or has historic or artistic value, such as paintings, etchings, drawings, rare books; rugs, tapestries, art glass, stained glass, murals, decoratively painted walls and other bonafide works of art or rarity.

Coverage for Fine Arts applies to property located anywhere in the Coverage Territory except:

- (1) On exhibition at fairgrounds; or
- (2) On the premises of any national or international exposition.

All Fine Arts items covered under this Additional Coverage will be valued at actual cash value. The most we will pay for loss or damage under this Coverage Extension in any one occurrence is the limit of insurance shown in the Schedule above as applicable to Fine Arts.

i. Installation Coverage

- (1) You may extend the insurance that applies to Business Personal Property to apply to personal property being installed by you in work you are performing while at a job site or temporarily warehoused elsewhere anywhere in the Coverage Territory:

- (a) Awaiting and during installation or testing; and
- (b) Awaiting acceptance by the buyer.

If your Installation Coverage limit is sufficient, coverage also extends to temporary structures at the job site as well as site preparation costs.

As used in this Coverage Extension, the term job site means a premises where you are installing, repairing or erecting property. It does not include the construction site of a dam, tunnel, flood control project, bridge, overpass, pier, wharf or dock.

- (2) Installation Coverage does not apply to personal property that is not a part of or intended to become a part of the installation.
- (3) Installation Coverage ends at any job site at the earliest of the following:
 - (a) Your interest in the property ceases;
 - (b) The buyer accepts the property; or
 - (c) This policy terminates.

The most we will pay for loss or damage under this Coverage Extension in any one occurrence is the limit of insurance shown in the Schedule above as applicable to Installation Coverage.

j. Newly Acquired or Constructed Buildings

- (1) You may extend the insurance that applies to Buildings to apply to:
 - (a) Your new buildings while being built on the described premises; and
 - (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building(s) described in the Declarations; or
 - (ii) Use as a warehouse.
- (2) The most we will pay for loss or damage under this Coverage Extension is 25% of the highest Limit of Insurance for Building shown in the Declarations but not more than limit of insurance shown in the Schedule above as applicable to Newly Acquired or Constructed Buildings at each building.

- (3) Coverage under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires;

- (b) 90 days expire after you acquire or begin to construct the property; or
- (c) You report values to us.
- (4) We will charge you additional premium for values reported from the date construction begins or you acquire the property.

k. Salespersons Samples

You may extend the insurance that applies to Business Personal Property to salespersons samples, while more than 1,000 feet from the described premises, including in transit. The coverage applies to samples of goods or products you own while in the custody of a salesperson or any employee who travels with sales samples.

Salespersons samples does not include:

- (1) Property that has been sold;
- (2) Property shipped by mail; or
- (3) Drugs, jewelry, costume jewelry, furs, fur garments or garments trimmed with fur.

The most we will pay for loss or damage under this Coverage Extension in any one occurrence is the limit of insurance shown in the Schedule above as applicable to Salespersons Samples.

l. Theft Loss to Building

If you are a tenant, you may extend the insurance that applies to Business Personal Property to cover loss directly resulting from an act of theft to that portion of the described premises that you occupy.

K. Outdoor Signs

Paragraph 1. **Outdoor Signs** under Section G. **Optional Coverages** is amended by the following:

In addition to any applicable Limit of Insurance for Outdoor Signs shown in the Declarations, the additional limit of insurance shown in the Schedule above as applicable to Outdoor Signs applies to loss or damage in any one occurrence. All other policy provisions applicable to Outdoor Signs Optional Coverage apply.

L. Paragraph 4. Employee Dishonesty as found in section G. **Optional Coverages**, is amended by the following:

- 1. In addition to any applicable Limit of Insurance for Employee Dishonesty shown in the Declarations, the additional limit of insurance shown in the Schedule above as applicable to Employee Dishonesty applies to loss or damage in any one occurrence. All other policy provisions applicable to Employee Dishonesty Optional Coverage apply.

2. Employee Benefit Plan(s)

- a. Any employee welfare benefit plan or employee pension benefit plan (employee benefit plan) that is subject to the Employee Retirement Income Security Act of 1974 (ERISA), which you provide solely for the benefit of your employees is also an insured under this Employee Dishonesty Optional Coverage.
- b. With respect to any employee benefit plan that is insured under this Optional Coverage, your employees also includes any natural person who is:
 - (1) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan that is insured under this Optional Coverage; and
 - (2) Your director or trustee while that person is handling "money", "securities" or other property of any employee benefit plan that is insured under this Optional Coverage.
- c. If any employee benefit plan(s) is insured jointly with any other entity under this Optional Coverage, you or the Plan Administrator must select a Limit of Insurance 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.
- d. Any payment we make to you for loss sustained by any employee benefit plan will be held by you for the use and benefit of the employee benefit plan(s) sustaining the loss.
- e. If two or more employee benefit plans are insured under this insurance, any payment we make for loss:
 - (1) Sustained by two or more employee benefit plans; or
 - (2) Of commingled "money", "securities", or other property of two or more employee benefit plans;that arises out of one occurrence, is to be shared by each employee benefit plan sustaining loss in the proportion that the Limit of Insurance required for each employee benefit plan bears to the total of those limits.
- f. No deductible applies to loss sustained by any plan that is subject to ERISA that is insured under this Optional Coverage.

- M.** The following provision applies only with respect to the insurance provided under the Businessowners Special Property Coverage Form.

Paragraph 3. **Money And Securities** under **G. Optional Coverages**, is amended by the following:

3. Money And Securities

In addition to any applicable Limit of Insurance for Money and Securities shown in the Declarations, the additional limit of insurance shown in the Schedule above as applicable to Money and Securities - Inside the Premises and Money and Securities - Outside the Premises applies to loss or damage in any one occurrence. All other policy provisions applicable to Money and Securities Optional Coverage apply.

- II.** The following provisions apply with respect to the insurance provided by the Businessowners Liability Coverage Form.

A. Broadened Named Insured

The following is added to Paragraph **C.1. Who Is An Insured**:

- e.** An organization other than a partnership, joint venture or limited liability company and you newly acquire or form another organization or subsidiary thereof other than a partnership, joint venture or limited liability company over which you maintain ownership or majority interest, you will qualify as an insured, provided:

- (1)** There is no other similar insurance available to that organization; and
- (2)** Coverage under this provision is then only afforded until the 60th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
- (3)** Coverage under this provision does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" that occurred before you acquired or formed the organization.

B. Non-Owned Watercraft

The following paragraph under **B. Exclusions, 1.g.(2)** is replaced by the following:

- (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;

C. Damage To Premises Rented To You Coverage

In addition to the Damage To Premises Rented To You Coverage Limit shown in the Declarations and as referenced in paragraph **D.3. Liability and Medical Expenses Limits of Insurance**, the additional limit of insurance shown in the Schedule above as applicable to Damage To Premises Rented To You Coverage applies.

D. Products-Completed Operations Aggregate Limit

Paragraph 4. **Aggregate Limits** as found in section **D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

4. Aggregate Limits

The most we will pay for:

- a.** Injury or damage under the "products-completed operations hazard" arising from all "occurrences" during the policy period is twice the Liability and Medical Expenses limit; and
- b.** All other injury or damage, including medical expenses, arising from all "occurrences" during the policy period is twice the Liability and Medical Expenses limit. This limitation does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire or explosion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following provisions apply with respect to the insurance provided by the Businessowners Liability Coverage Form including any form or endorsement that is attached to and made a part of this policy, and that modifies the liability coverage.

The following Exclusions are added to Subparagraph 1. **Applicable To Business Liability Coverage** as found under Paragraph B. **Exclusions**:

This insurance does not apply to:

Communicable Disease

"Bodily injury", "property damage", "personal injury", or "advertising injury" arising out of the actual or alleged transmission of a communicable disease.

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

- a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b. Testing for a communicable disease;
- c. Failure to prevent the spread of the disease; or
- d. Failure to report the disease to authorities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

A. The following is added to Paragraph A.3. Covered Causes of Loss:

Additional Coverage Equipment Breakdown

The term Covered Cause of Loss includes the **Additional Coverage Equipment Breakdown** as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." We will also pay for loss resulting from an "accident" under the Business Income Additional Coverage and the Extra Expense Additional Coverage. As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:
 - a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.
 - a. **Expediting Expenses**
With respect to your damaged Covered Property, we will pay up to \$50,000 unless otherwise shown in a Schedule, the reasonable extra cost to:

- (1) Make temporary repairs; and

- (2) Expedite permanent repairs or permanent replacement.

b. Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in 2.c.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$50,000 unless otherwise shown in a Schedule.

c. Spoilage

- (1) We will pay:

- (a) For physical damage to "perishable goods" due to spoilage;
- (b) For physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident," less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment condition.

The most we will pay for loss, damage or expense under this coverage is \$50,000 unless otherwise shown in a Schedule.

d. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore the lost information on Electronic Media and Records.

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$50,000 unless otherwise shown in a Schedule.

e. Service Interruption

- (1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by an "accident" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

- (2) Unless otherwise shown in a Schedule, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident."

- (3) The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage

B. The following is added to Paragraph B. Exclusions:

Equipment Breakdown Exclusions

All exclusions in the Businessowners Special Property Coverage Form and Businessowners Standard Property Coverage Form apply except as modified below and to the extent that coverage is specifically provided by this **Additional Coverage Equipment Breakdown**.

1. The exclusions are modified as follows:

a. The following is added to Exclusion B.1.g.:

However, if electrical "covered equipment" requires drying out because of Water as described in g.(1) through g.(3) above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

b. As respects this endorsement only, the last paragraph of Exclusion B.2.k. in the Businessowners Special Property Coverage Form is deleted and replaced with the following:

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

2. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:

a. Your failure to use all reasonable means to protect Covered Property from damage following an "accident";

b. Any defect, programming error, programming limitation, computer virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within or involving Electronic Media and Records of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense;

c. Any of the following tests: a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or

- d. If the Businessowners Standard Property Coverage Form applies, depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if loss or damage from an "accident" results, we will pay for that resulting loss or damage.
3. With respect to Service Interruption coverage, we will also not pay for: an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
4. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:
 - a. Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
 - b. Any increase in loss resulting from an agreement between you and your customer or supplier.
5. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident":

Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is "perishable goods," to the extent that spoilage is covered under Spoilage coverage.
6. We will not pay under this endorsement for any loss or damage to animals.

C. DEDUCTIBLES

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a Schedule. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision **D. Deductibles** is deleted and replaced with the following:

1. Deductibles for Each Coverage
 - a. Unless the Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."

- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
 - c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," only the highest deductible for each coverage will apply.
2. Direct and Indirect Coverages
 - a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Schedule.
 - b. Unless more specifically indicated in the Schedule:
 - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
 - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.
 3. Application of Deductibles
 - a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.
 - b. Time Deductible

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

c. Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration."

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

d. Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

D. CONDITIONS

The following conditions are in addition to the Conditions in the Businessowners Special Property Coverage Form and Businessowners Standard Property Coverage Form.

1. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:

- a. Your last known address; or
- b. The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

2. Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

3. Environmental, Safety and Efficiency Improvements

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

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

4. Coinsurance

If a coinsurance percentage is shown in a Schedule for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

E. The following are added to H. **Property Definitions**:

1. "Boilers and vessels" means:

- a. Any boiler, including attached steam, condensate and feedwater piping; and
- b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

2. "Covered equipment"

- a. "Covered equipment" means, unless otherwise specified in a Schedule, Covered Property:

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

- b. None of the following is "covered equipment":

- (1) Structure, foundation, cabinet, compartment or air supported structure or building;
- (2) Insulating or refractory material;
- (3) Sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
- (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (5) "Vehicle" or any equipment mounted on a "vehicle";
- (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (7) Dragline, excavation or construction equipment; or
- (8) Equipment manufactured by you for sale.

3. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

4. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

5. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

6. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

7. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in a Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT - WATER EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS STANDARD COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following provisions apply with respect to the insurance provided by the Businessowners Standard Property Coverage Form and the Businessowners Special Property Coverage Form.

Subparagraph **1.g. Water** as found under paragraph **B. Exclusions** is replaced by the following:

g. Water

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT - EARTH MOVEMENT EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following provisions apply with respect to the insurance provided by the Businessowners Standard Property Coverage Form and the Businessowners Special Property Coverage Form.

Subparagraph **1.b. Earth Movement** as found under paragraph **B. Exclusions** is replaced by the following:

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.
- (5) Volcanic eruption, explosion or effusion.

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

But if Earth Movement, as described in Paragraphs (1) through (5) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TENANTS IMPROVEMENTS AND BETTERMENTS -
SEPARATION OF COVERAGE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

SCHEDULE

Prem. No.	Bldg. No.	Description of Property	Limit Of Insurance

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

The coverage provided by this endorsement is subject to the provisions applicable to the Businessowners Special Property Coverage Form or the Businessowners Standard Property Coverage Form attached to this policy, except as otherwise provided within this endorsement.

- A. The Limits of Insurance shown in the Schedule above apply to tenant's improvements and betterments as described in subparagraph **1.b.(3) Covered Property** as found under paragraph **A. Coverage** of the Businessowners Property Coverage Form.
- B. The Limit of Insurance for Business Personal Property shown in the Declarations at the building described in the Schedule above, will not apply to your tenant's improvements and betterments at that building.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PENNSYLVANIA CHANGES -
CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. The Cancellation Common Policy Condition is replaced by the following:**

CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.
2. **Cancellation Of Policies In Effect For Less Than 60 Days**

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

3. **Cancellation Of Policies In Effect For 60 Days Or More**

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- a. You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.
- b. You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.
- c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

- d. Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.

4. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

6. 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 and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.
7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

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

1. Nonrenewal

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, to the first Named Insured at least 60 days before the expiration date of the policy.

2. Increase Of Premium

If we increase your renewal premium, we will mail or deliver to the first Named Insured written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of nonrenewal or renewal premium increase will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

POLICY NUMBER:
March 16, 2020 (WF)

PENNSYLVANIA NOTICE

IL 09 10/HO 291
(Ed. 01 81)

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

1. surveys;
2. consultation or advice; or
3. inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. if the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. to consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. if any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

Instruction to Policy Writers

Attach the Pennsylvania Notice to all new and renewal policies and renewal certificates insuring risks located in Pennsylvania.

IL 09 10/HO 291 (Ed. 01 81)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
GARAGE COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
TRADESMAN'S ADVANTAGE CONTRACTORS' POLICY

The following provisions apply with respect to the insurance provided by this policy, including any form or endorsement that is attached to and made a part of this policy and that modifies the liability coverage.

This insurance does not apply to:

- A. Any sums the insured becomes legally obligated to pay as damages, or any loss, cost or expense, including costs or expenses for defense, arising out of, traceable to, or relating in any way to, the existence or presence of asbestos, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such damages, loss, cost or expense. This exclusion includes, but is not limited to:
 - 1. The inhaling, ingesting or absorption of, or prolonged physical exposure to products containing asbestos;
 - 2. The use of asbestos in constructing or manufacturing any products or structures;
 - 3. The abatement, removal, remediation or containment of asbestos from or within any products or structures; and
 - 4. The handling, installation, manufacture, transportation, storage or disposal of asbestos or products containing asbestos.
- B. Any sums that the insured becomes legally obligated to pay as damages, or any loss, cost or expense, including costs or expenses for defense, because of the actual, alleged, or threatened discharge, dispersal, release, leakage, leaching, friability, flaking, escape, existence or presence of asbestos at any time.
- C. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, asbestos, by any insured or by any other person or entity.
- D. 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 asbestos; 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, asbestos.
- E. Any sums that the insured becomes legally obligated to pay as damages, or any loss, cost or expense, including costs or expenses for defense, because of any instruction, recommendation, failure to warn, alert, caution, notification or advice regarding any existence or presence of asbestos.
- F. Asbestos includes but is not limited to, asbestos, asbestos fibers, asbestos dust, or any substances, materials, products, or matter containing asbestos.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
GARAGE COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
TRADESMAN'S ADVANTAGE CONTRACTORS' POLICY

The following provisions apply with respect to the insurance provided by this policy, including any form or endorsement that is attached to and made a part of this policy and that modifies the liability coverage.

This insurance does not apply to:

- A. Any sums the insured becomes legally obligated to pay as damages, or any loss, cost or expense, including costs or expenses for defense, arising out of, traceable to, or relating in any way to, the existence or presence of lead, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such damages, loss, cost or expense. This exclusion includes, but is not limited to:
 - 1. The inhaling, ingesting or absorption of, or prolonged physical exposure to products containing lead;
 - 2. The use of lead in constructing or manufacturing any products or structures;
 - 3. The abatement, removal, remediation or containment of lead from or within any products or structures; and
 - 4. The handling, installation, manufacture, transportation, storage or disposal of lead or products containing lead.
- B. Any sums that the insured becomes legally obligated to pay as damages, or any loss, cost or expense, including costs or expenses for defense, because of the actual, alleged, or threatened discharge, dispersal, release, leakage, leaching, friability, flaking, escape, existence or presence of lead at any time.
- C. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, lead, by any insured or by any other person or entity.
- D. 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 lead; 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, lead.
- E. Any sums that the insured becomes legally obligated to pay as damages, or any loss, cost or expense, including costs or expenses for defense, because of any instruction, recommendation, failure to warn, alert, caution, notification or advice regarding any existence or presence of lead.

**THIS ENDORSEMENT PROVIDES INDEPENDENT COVERAGES, TERMS, AND DEFINITIONS.
PLEASE READ IT CAREFULLY.**

**EMPLOYMENT PRACTICES LIABILITY
INSURANCE COVERAGE ENDORSEMENT**

IMPORTANT NOTICE:

- I. THIS EPL COVERAGE ENDORSEMENT IS A CLAIMS-MADE AND REPORTED COVERAGE. EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THIS EPL COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS OR SUITS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE EPL COVERAGE PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN. VARIOUS PROVISIONS IN THIS EPL COVERAGE RESTRICT COVERAGE. PLEASE READ THE ENTIRE EPL COVERAGE FORM CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.
- II. THIS EPL COVERAGE ENDORSEMENT INCLUDES DEFENSE COSTS WITHIN THE LIMIT OF LIABILITY. THIS MEANS THAT THE LIMIT OF LIABILITY SPECIFIED IN THE SUPPLEMENTAL DECLARATIONS OF THE EPL COVERAGE ENDORSEMENT SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED BY, DEFENSE COSTS. IN THE EVENT THAT THE LIMIT OF LIABILITY IS EXHAUSTED, THE INSURER SHALL NOT BE LIABLE FOR DEFENSE COSTS OR FOR ANY DAMAGES, JUDGMENTS OR SETTLEMENTS. AMOUNTS INCURRED FOR DEFENSE COSTS SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

Throughout this Coverage Endorsement (hereinafter referred to as "EPL Coverage"), the words "you" and "your" refer to the "named insured(s)" shown in the Supplemental Declarations of this EPL Coverage and any other person(s) or organization(s) qualifying as a "named insured" under this EPL Coverage. 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 III. WHO IS AN INSURED.

Other words and phrases that appear in "quotations" have special meaning. Refer to SECTION VII. DEFINITIONS.

The terms and conditions of the Cancellation Clause of the Common Policy Conditions and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this EPL Coverage, unless specifically stated otherwise in an endorsement(s) attached hereto.

SECTION I. WHAT IS COVERED

A. Insuring Agreement

1. "We" shall pay those "losses" arising out of an "insured's" "wrongful employment act" (other than a "third party violation") against "your" "employees", "recognized volunteers" and "applicants for employment" to which this insurance applies.
2. If coverage for "third party violations" is shown on the Supplemental Declarations, then "we" shall pay those "losses" arising out of an "insured's" "third party violation".
3. For coverage to apply under this EPL Coverage, the "wrongful employment act" or "third party violation" must commence or take place after the Retroactive Date, but before the end of the "EPL coverage period". If no Retroactive Date appears on the Supplemental Declarations then the Retroactive Date shall be the date of organization of the "named insured." A "claim" or "suit" for a "wrongful employment act" or "third party violation" must be first made against "you" during the "EPL coverage period" and reported to "us" pursuant to the terms of this EPL Coverage.

4. A "claim" or "suit" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

- a. When written notice of such "claim" or "suit" is received and recorded by any "insured" or by "us", whichever comes first; or
- b. When "we" make any settlement in accordance with the terms of this EPL Coverage.

B. Defense

1. "We" have the right and duty to defend and appoint an attorney to defend any "claim" or "suit" brought against any "insured" for a "wrongful employment act" or "third party violation" to which this insurance applies, even if the "claim" or "suit" is groundless or fraudulent.

At the time a "claim" or "suit" is first reported to "us", "you" may request that "we" appoint a defense attorney of "your" choice. "We" will give full consideration to any such request.
2. "We" have the right to investigate and settle any "claim" or "suit" that "we" believe is proper. "You" shall be entitled to consent to such settlement, provided "your" consent is not unreasonably withheld and is provided as soon as practicable.

If "you" refuse to consent to any settlement that "we" recommend and that is acceptable to the claimant, then "our" liability under this EPL Coverage for such "claim" or "suit" shall not exceed the amount for which we could have settled had "your" consent not been withheld at the time of "our" recommendation. "You" shall thereafter negotiate and defend that "claim" or "suit" at "your" own cost and without "our" involvement.

3. "We" shall pay all reasonable costs "we" ask the "insured" to incur while helping "us" investigate or defend a "claim" or "suit". "We", however, will not pay more than \$250 per day for earnings lost by the "insured" because of time taken off from work.
4. "We" shall pay premiums for appeal bonds, or bonds to release property being used to secure a legal obligation, for a covered "suit". "We" shall only pay, however, for bonds valued up to "our" EPL Aggregate Limit of Liability. "We" shall have no obligation to appeal or to obtain these bonds.
5. Payments for "defense costs" are included within the EPL Aggregate Limit of Liability. They are not in addition to the EPL Aggregate Limit of Liability. "Our" duty to defend or to make payment of any "claim" or "suit" pursuant to Paragraphs 1. through 4. of this Clause B., ends after the EPL Aggregate Limit of Liability has been exhausted by payment of "loss", including "defense costs".
6. "We" shall pay all interest on that amount of any judgment within the EPL Aggregate Limit of Liability:
 - a. Which accrues after entry of judgment; and
 - b. Before "we" pay, offer to pay, or deposit in court that part of the judgment within the EPL Aggregate Limit of Liability.

These interest payments shall be in addition to and not part of the EPL Aggregate Limit of Liability.

C. Transfer of Control

1. "You" may take over control of any outstanding "claim" or "suit" previously reported to "us", but only if "we", in "our" sole discretion, decide that you should, or if a court orders "you" to do so.
2. Notwithstanding Paragraph 1. of this Clause C., in all events, if the EPL Aggregate Limit of Liability is exhausted, "we" will notify "you" of all outstanding "claims" or "suits" and "you" will take over control of the defense. "We" will help transfer control of the "claims" and "suits" to "you".

3. "We" shall take whatever steps are necessary to continue the defense of any outstanding "claim" or "suit" and avoid a default judgment during the transfer of control to "you". If "we" do so, "we" shall not waive or give up any of "our" rights. "You" shall pay all reasonable expenses "we" incur for taking such steps after the EPL Aggregate Limit of Liability is exhausted.

SECTION II. EXCLUSIONS-WHAT IS NOT COVERED

This insurance does not apply to:

A. Criminal Acts

Any liability arising out of any dishonest, fraudulent, criminal, or malicious act by or at the direction of any "insured". However, to the extent that a "claim" or "suit" is otherwise covered under this EPL Coverage "we" will defend a "claim" or "suit" asserting a dishonest, fraudulent, criminal or malicious act until such time as the "insured" is determined to have committed such dishonest, fraudulent, criminal or malicious act;

The "wrongful employment act(s)" or "third party violation(s)" of an "insured" shall not be imputed to any other "insured" for the purpose of determining the applicability of this Exclusion A.

B. "Property Damage"

Any liability arising out of "property damage".

C. "Bodily Injury"

Any liability arising out of "bodily injury".

D. Worker's Compensation, Social Security and Unemployment, Disability and Retirement Benefits

Any liability arising out of any obligation pursuant to any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law. This exclusion, however, shall not apply to "loss" arising from a "claim" or "suit" for "retaliation".

E. Contractual Liability

Any liability arising out of any actual or alleged contractual liability of any "insured" under any express contract or agreement. This exclusion, however, shall not apply to any liability the "insured" would have in the absence of such express contract or agreement.

F. ERISA, FLSA, NLRA, WARN, COBRA, and OSHA

Any liability for violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign statutory law or common law.

It is acknowledged that "claims" and "suits" for violation(s) of any of the responsibilities, obligations or duties imposed by "similar federal, state, local or foreign statutory law or common law," as such quoted language is used in the immediately-preceding paragraph, include, without limitation, any and all "claims" and "suits" which in whole or in part allege, arise out of, are based upon, are attributable to, or are in any way related to any of the circumstances described in any of the following:

1. The refusal, failure or inability of any "insured(s)" to pay wages or overtime pay (or amounts representing such wages or overtime pay) for services rendered or time spent in connection with work related activities (as opposed to tort-based back pay or front pay damages for torts other than conversion);
2. Improper deductions from pay taken by any "insured(s)" from any "employee(s)" or purported employee(s); or
3. Failure to provide or enforce legally required meal or rest break periods;

Notwithstanding the foregoing, this Exclusion F. shall not apply to the extent that a "claim" or "suit" is for "retaliation".

G. Prior Knowledge

Any liability arising out of incidents, circumstances or "wrongful employment acts" or "third party violations", which an "insured"

1. Had knowledge of; or
2. Could have reasonably foreseen might result in a "claim" or "suit"

and which were known to the "insured" prior to the effective date of this EPL Coverage or the first EPL Coverage issued by "us" of which this EPL Coverage is an uninterrupted renewal.

H. Prior Notice

Any liability arising out of the facts alleged, or to the same or "related wrongful employment acts" or "related third party violations" alleged or contained in any "claim" or "suit" which has been reported, or in any circumstances of which notice has been given, under any policy of which this EPL Coverage is a renewal or replacement or which it may succeed in time.

I. Prior Litigation

Any liability arising out of any prior

1. Litigation; or
2. Administrative or regulatory proceeding or investigation

of which an "insured" had notice, or alleging the same or "related wrongful employment acts" or "related third party violations" alleged or contained in such pending or prior litigation or administrative or regulatory proceeding or investigation which the "insured" had knowledge of prior to the effective date of this EPL Coverage or the first EPL Coverage issued by "us" of which this EPL Coverage is an uninterrupted renewal.

SECTION III. WHO IS AN INSURED

A. Individual

If "you" are shown in the Supplemental Declarations of this EPL Coverage as an individual, "you" and "your" spouse or "Domestic Partner" are "insureds", only for the conduct of a business of which "you" are the sole owner.

B. Corporation

If "you" are shown in the Supplemental Declarations of this EPL Coverage as a corporation or organization other than a partnership, joint venture, or limited liability company, "you" and "your" "subsidiaries" are "insureds".

C. Partnership or Joint Venture

If "you" are shown in the Supplemental Declarations of this EPL Coverage as a partnership or joint venture, "you" are an "insured". "Your" members, partners or co-venturers and their spouses or "Domestic Partners" are also "insureds", but only for the conduct of "your" business.

D. Limited Liability Company

If "you" are shown in the Supplemental Declarations of this EPL Coverage as 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.

E. Trusts

If "you" are shown in the Supplemental Declarations of this EPL Coverage as a trust, "you" are an "insured". "Your" trustees are also "insureds", but only with respect to their duties as trustees.

F. "Employees"

"Your" "employees", executive officers and directors are "insureds", only for the conduct of "your" business within the scope of their employment or their duties as executive officers or directors.

G. Extensions

1. Subject otherwise to the terms hereof, this EPL Coverage shall cover "loss" arising from any "claims" or "suits" made against the estates, heirs, or legal representative of deceased individual "insureds", and the legal representatives of individual "insureds", in the event of incompetency, who were individual "insureds" at the time the "wrongful employment acts" or "third party violations", upon which such "claims" or "suits" are based, were committed.

2. Subject otherwise to the terms hereof, this EPL Coverage shall cover "loss" arising from all "claims" and "suits" made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) or "Domestic Partner" of an individual "insured", including a "claim" or "suit" that seeks damages recoverable from marital community property, property jointly held by the individual "insured" and the spouse or "Domestic Partner", or property transferred from the individual "insured" to the spouse or "Domestic Partner"; provided, however, that this extension shall not afford coverage for a "claim" or "suit" arising out of any "wrongful employment act" or "third party violation" of the spouse or "Domestic Partner", but shall apply only to "claims" or "suits" arising out of any "wrongful employment acts" or "third party violations" of an individual "insured", subject to this EPL Coverage's terms, conditions and exclusions.

SECTION IV. LIMIT OF LIABILITY (including "defense costs")

- A. The EPL Aggregate Limit of Liability shown in the Supplemental Declarations of this EPL Coverage and the information contained in this section limits the most "we" shall pay for all "loss" (other than post-judgment interest described in Section I., Clause B., Paragraph 6.) arising out of "claims" and "suits" first made against "insureds" during the "EPL coverage period" or Extended Reporting Periods (if applicable), regardless of:
1. The number of persons or organizations covered by this EPL Coverage; or
 2. The number of "claims" made or "suits" brought; or
 3. The length of the "EPL coverage period".
- B. The EPL Aggregate Limit of Liability is the most "we" shall pay for all "losses" (other than post-judgment interest described in Section I., Clause B., Paragraph 6.), including amounts incurred for "defense costs".
- C. The EPL Aggregate Limit of Liability for the Extended Reporting Periods (if applicable) shall be part of, and not in addition to the EPL Aggregate Limit of Liability for the "EPL coverage period".
- D. All "claims" and "suits" arising from the same or "related wrongful employment acts" or "related third party violations" shall be treated as arising out of a single "wrongful employment act" or "third party violation".
- E. All "claims" or "suits" arising out of one "wrongful employment act" or "third party violation" shall be deemed to be made on the date that the first such "claim" is made or "suit" is brought. All "claims" asserted in a "class action suit" will be treated as arising out of a single "wrongful employment act" or "third party violation".

- F. Any "claim" or "suit" which is made subsequent to the "EPL coverage period" or Extended Reporting Periods (if applicable) which, pursuant to Section VI., Clause D., Paragraphs 3. and 4. is considered made during the "EPL coverage period" or Extended Reporting Periods (if applicable), shall also be subject to the one EPL Aggregate Limit of Liability stated in the Supplemental Declarations of this EPL Coverage.

SECTION V. DEDUCTIBLE

"You" shall be responsible for the deductible amount shown in the Supplemental Declarations of this EPL Coverage with respect to each "claim" and "suit" and "you" may not insure against it. A single deductible amount shall apply to "loss" arising from all "claims" and "suits" alleging the same "wrongful employment act" or "third party violation" or "related wrongful employment acts" or "related third party violations". Expenses "we" incur in investigating, defending and settling "claims" and "suits" are included in the deductible. The deductible is not included within the EPL Aggregate Limit of Liability.

At our option, "we" may pay any part or all of the EPL Deductible Amount to effect settlement of any "claim" or "suit" and upon notification of the action taken, "you" shall promptly reimburse "us" for such part of the deductible that has been paid by "us".

SECTION VI. CONDITIONS

"We" have no duty to provide coverage under this EPL Coverage, unless there has been full compliance with all the Conditions contained in this EPL Coverage.

A. Assignment

The interest of any "insured" is not assignable. "You" cannot assign or transfer "your" interest in this EPL Coverage without "our" written consent attached to the EPL Coverage.

B. Bankruptcy or Insolvency

"Your" bankruptcy, insolvency or inability to pay, will not relieve "us" from the payment of any "claim" or "suit" covered by this EPL Coverage.

Under no circumstances will "your" bankruptcy, insolvency, or inability to pay require "us" to drop down, in any way replace, or assume any of "your" obligations with respect to the Deductible provisions of this EPL Coverage.

C. Coverage Territory

"We" cover "wrongful employment acts" or "third party violations" anywhere in the world, but only if the "claim" is made and the "suit" is brought for such "wrongful employment act" or "third party violation" in the United States of America, its territories and possessions, Puerto Rico, or Canada.

D. Duties in the Event of an Incident, "Claim" or "Suit"

1. If, during the "EPL coverage period", incidents or events occur which "you" reasonably believe may give rise to a "claim" or "suit" for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant's representative; or notice of a complaint filed with EEOC, DOL or OFCCP (or similar federal, state or local agency); or upon an oral "claim", allegation or threat, "you" shall give written notice to "us" as soon as practicable and either:
 - a. Anytime during the "EPL coverage period";
 - b. Anytime during the sixty (60) days immediately following the expiration of the "EPL coverage period", for "claims" first made or "suits" first brought during the "EPL Coverage Period", (as shown on the Supplemental Declarations) when this policy is renewed by "us"; or
 - c. Anytime during the Extended Reporting Periods (if applicable).
2. If a "claim" is made or a "suit" is brought against any "insured", "you" must:
 - a. Immediately record the specifics of the "claim" or "suit" and the date received; and
 - b. Provide "us" with written notice, as described in Paragraph 3. of this Clause D., as soon as practicable.
3. Such written notice of "claim" or "suit" shall contain:
 - a. The identity of the person(s) alleging a "wrongful employment act" or "third party violation";
 - b. The identity of the "insured(s)" who allegedly were involved in the incidents or events;
 - c. The date the alleged incidents or events took place; and
 - d. The written notice or a memorandum of the oral "claim", allegation or threat referred to above.

If written notice is given to "us" during the "EPL coverage period" or Extended Reporting Periods (if applicable), pursuant to the above requirements, then any "claim" or "suit" which is subsequently made against any "insureds" and reported to "us" alleging, arising out of, based upon or attributable to such circumstances or alleging any "related wrongful employment act" or "related third party violation" to such circumstances, shall be considered made at the time such notice of such circumstances was first given.

4. If "you" submit written notice of a "claim" or "suit", pursuant to this Clause D., then any "claim" or "suit" that may subsequently be made against an "insured" and reported to "us" alleging the same or a "related wrongful employment act" or the same or a "related third party violation" to the "claim" or "suit" for which such notice has been given shall be deemed, for the purpose of this insurance, to have been first made during the "EPL coverage period" or Extended Reporting Period (if applicable) in effect at the time such written notice was first submitted to "us".
5. "You" and any other "insured" must:
 - a. Immediately send "us" copies of any demands, notices, summonses or legal papers received in connection with any "claim" or "suit";
 - b. Authorize "us" to obtain records and other information;
 - c. Cooperate with "us" in the investigation, settlement or defense of the "claim" or "suit";
 - d. 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;
 - e. Not take any action, nor fail to take any required action, that prejudices the rights of the "insureds" or "us" with respect to such "claim" or "suit".
6. No "insureds" will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without "our" prior written consent.

E. Transfer of Rights of Recovery Against Others to "Us"

"You" may be able to recover all or part of a "loss" from someone other than "us". "You", therefore, shall do all that is possible after a "loss" to preserve any such right of recovery. If "we" make a payment under this EPL Coverage, that right of recovery shall belong to "us". "You" shall do whatever is necessary, including signing documents, to help "us" obtain that recovery.

F. Extended Reporting Periods

1. "You" shall have the right to the Extended Reporting Periods described in Paragraph 2. of this Clause F., in the event that:
 - a. "You" or "we" shall cancel this EPL Coverage;
 - b. "You" or "we" shall refuse to renew this EPL Coverage; or

- c. "We" renew this EPL Coverage on an other than a claims-made basis or with a Retroactive Date later than the Retroactive Date shown on the Supplemental Declarations of this EPL Coverage.
 - 2. If an event as specified in Paragraph 1. of this Clause F. has occurred, "you" shall have the right to the following:
 - a. An Automatic Extended Reporting Period of thirty (30) days after the effective date of cancellation or nonrenewal at no additional premium in which to give to "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said Automatic Extended Reporting Period for any "wrongful employment acts" or "third party violations" occurring before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage; and
 - b. Upon payment of an additional premium of 100% of the full annual premium applicable to this EPL Coverage, a Supplemental Extended Reporting Period of one (1) year immediately following the effective date of cancellation or nonrenewal in which to give to "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said Supplemental Extended Reporting Period for any "wrongful employment acts" or "third party violations" occurring before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage.
- To obtain the Supplemental Extended Reporting Period, "you" must request it in writing and pay the additional premium due, within thirty (30) days of the effective date of cancellation or nonrenewal. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If "we" do not receive the written request as required, "you" may not exercise this right at a later date.
- This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

G. Change in Control of "Named Insured"

In the event of a "transaction" then this EPL Coverage shall continue in full force and effect as to "wrongful employment acts" or "third party violations" occurring prior to the effective time of the "transaction", but there shall be no coverage afforded by any provision of this EPL Coverage for any actual or alleged "wrongful employment acts" or "third party violations" occurring after the effective time of the "transaction". This EPL Coverage may not be cancelled after the effective time of the "transaction" and the entire premium for this EPL Coverage shall be deemed earned as of such time. "You" shall also have the right to the Extended Reporting Periods described in Clause F. of this Section VI:

"You" shall give "us" written notice of the "transaction" as soon as practicable, but not later than thirty (30) days after the effective date of the "transaction".

H. Legal Action Against "Us"

No person or organization has the right to join "us" as a party or otherwise bring "us" into a "suit" asking for damages from an "insured".

I. Other Insurance

Unless expressly written to be excess over other applicable insurance, it is intended that the insurance provided by this EPL Coverage shall be primary.

J. EPL Coverage Changes

This EPL Coverage contains all the agreements between "you" and "us" concerning this insurance. The first "named insured" in the Supplemental Declarations of this EPL Coverage is authorized to request changes in this EPL Coverage. This EPL Coverage can only be changed by a written endorsement "we" issue and make part of this EPL Coverage.

K. Representations

Any and all relevant provisions of this EPL Coverage may be voidable by "us" in any case of fraud, intentional concealment, or misrepresentation of material fact by any "insured".

L. Special Rights and Duties of the First "Named Insured"

"You" agree that when there is more than one person and/or entity covered under this EPL Coverage, the first "named insured" in the Supplemental Declarations of this EPL Coverage shall act on behalf of all "insureds" as to:

- 1. Giving of notice of a "claim" or "suit";
- 2. Giving and receiving notice of cancellation or nonrenewal;
- 3. Payment of premiums and receipt of return premiums;

4. Acceptance of any endorsements issued to form a part of this EPL Coverage; or
5. Purchasing or deciding not to purchase the Supplemental Extended Reporting Period.

M. Separation of Insureds

Except with respect to the EPL Aggregate Limit of Liability and any rights or duties specifically assigned to the first "named insured" in Clause L. of this Section VI., this insurance applies:

1. As if each "named insured" were the only "named insured"; and
2. Separately to each insured against whom a "claim" or "suit" is made.

N. Tie-In of Limits

As respects any "claim" or "suit" in which at least one person/entity claimed against is an "insured" under this EPL Coverage and at least one person/entity claimed against is an insured under any other EPL Coverage issued to "you" by "us" (the "Other Policy"), the combined EPL Aggregate Limit of Liability under both this EPL Coverage and the Other Policy for all "losses" arising from such "claims" or "suits" combined shall not exceed the highest applicable limit of insurance under either this EPL Coverage or the Other Policy. This limitation shall apply even if both this EPL Coverage and the Other Policy have been triggered due to a "claim" or "suit" made against the same person/entity but alleging "wrongful employment acts" or "third party violations" both in his, her or its capacity as an insured under the "Other policy" and as an "insured" under this EPL Coverage.

O. Headings

The descriptions in the headings of this EPL Coverage are solely for convenience, and form no part of the terms and conditions of coverage.

SECTION VII. DEFINITIONS

- A. "Applicant(s) for employment" means individual(s) who have applied or interviewed for a position of employment where work will be performed for, and completed under the direction of, the "named insured".
- B. "Bodily injury" means physical injury, sickness, or disease, including death resulting therefrom.
- C. "Claim" means a written demand for monetary and non-monetary relief (including any request to toll or waive any statute of limitations). The term "claim" shall also mean an Equal Employment Opportunity Commission (EEOC), Department of Labor (DOL) or Office of Federal Contract Compliance Program (OFCCP) (or similar federal, state or local agency) proceeding or investigation commenced by the filing of a notice of charges, service of a complaint or similar document of which notice has been given to "you". However, in no event, shall the term "claim" include any labor or grievance proceeding, which is subject to a collective bargaining agreement.

- D. "Class action suit" means any suit seeking certification or certified as a class action by a federal or state court.
- E. "Defense costs" means reasonable and necessary fees, costs and expenses consented to by "us" resulting solely from the investigation, adjustment, defense and appeal of a "claim" or "suit" against "you". In no event shall "defense costs" include "your" or "our" routine on-going expenses, including, without limitation, the salaries of "your" or "our" "employees", officers or staff attorneys.
- F. "Domestic partner" means any natural person legally recognized as a domestic or civil union partner under:
 1. The provisions of any applicable federal, state or local law; or
 2. The provisions of any formal program established by "you".
- G. "Employee" means an individual whose labor or service is engaged by and directed by "you" for remuneration, whether such individual is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal, and temporary "employees".

An individual who is an independent contractor or leased to "you" shall also be an "employee". Independent contractors who do not provide ongoing and routine services solely for "you" shall not be considered "employees", including but not limited to independent trade contractors (e.g. plumber, electrician).
- H. "EPL coverage period" means the period commencing on the effective date shown in the Supplemental Declarations of this EPL Coverage. This period ends on the earlier of the expiration date or the effective date of cancellation of this EPL Coverage. If "you" became an "insured" under this EPL Coverage after the effective date, the "EPL coverage period" begins on the date "you" became an "insured".
- I. "Loss(es)" means monetary amounts to which this insurance applies and which "you" are legally obligated to pay (including front pay and back pay), judgments, settlements, pre- and post-judgment interest on that part of any judgment paid by "us", statutory attorney fees, and "defense costs"; however, "loss" shall not include:
 1. Civil or criminal fines or penalties imposed by law;
 2. Taxes;
 3. Employment related benefits, stock options, perquisites, deferred compensation or any other type of compensation other than salary, wages or bonus compensation;
 4. Any liability or costs incurred by any "insured" to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person, or any liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar; or

5. Matters which may be deemed uninsurable under the law pursuant to which this EPL Coverage shall be construed.

Where permitted by law, "loss" shall include punitive or exemplary damages imposed upon any "insured" (subject to the policy's other terms, conditions and exclusions).

- J. "Named insured" means the person or organization designated in the Supplemental Declarations page of this EPL Coverage.
- K. "Property damage" means physical injury to, or destruction of, tangible property including the loss of use thereof, or loss of use of tangible property, which has not been physically injured or destroyed.
- L. "Recognized volunteer" means an uncompensated individual who volunteers labor or services to "you", but only when performing such labor or services at the request of and under the direction of "you".
- M. "Related wrongful employment act(s)" means "wrongful employment acts" which are the same, related or continuous, or "wrongful employment acts" which arise from a common nucleus of facts. "Claims" or "suits" can allege "related wrongful employment acts", regardless of whether such "claims" or "suits" involve the same or different claimants, "insureds" or legal causes of actions.
- N. "Related third party violation(s)" means "third party violation(s)" which are the same, related or continuous, or "third party violation(s)" which arise from a common nucleus of facts. "Claims" or "suits" can allege "related third party violations", regardless of whether such "claims" or "suits" involve the same or different claimants, "insureds" or legal causes of actions.
- O. "Retaliation" means a "wrongful employment act" of an "insured" alleged to be in response to the actual or attempted exercise by an "employee" of any right that such "employee" has under the law.
- P. "Subsidiary" means:
1. Any for-profit organization which, on or before the inception of the "EPL coverage period", is more than fifty (50%) percent owned by the "named insured", either directly or indirectly through one or more of its "subsidiaries"; or

2. A for-profit organization which becomes a "subsidiary" during the "EPL coverage period", but only upon the condition that within ninety (90) days of its becoming a "subsidiary", the "named insured" shall have provided "us" with full particulars of the new "subsidiary" and agreed to any additional premium or amendment of the provisions of this EPL Coverage required by "us" relating to such new "subsidiary". Further, coverage as shall be afforded to the new "subsidiary" is conditioned upon the "named insured" paying when due any additional premium required by "us" relating to such new "subsidiary".

An organization becomes a "subsidiary" when the "named insured" owns more than fifty (50%) percent ownership interest in such "subsidiary", either directly, or indirectly through one or more of its "subsidiaries". An organization ceases to be a "subsidiary" when the "named insured" ceases to own more than a fifty (50%) percent ownership in such "subsidiary", either directly, or indirectly through one or more of its "subsidiaries".

In all events, coverage as is afforded under this EPL Coverage with respect to a "claim" made or "suit" brought against any "subsidiary" or an "insured" of any "subsidiary", shall only apply to "wrongful employment act(s)" or "third party violation(s)" commenced or allegedly commenced after the effective time that such "subsidiary" became a "subsidiary", and prior to the time that such "subsidiary" ceased to be a "subsidiary".

- Q. "Suit" means a civil proceeding or an administrative proceeding seeking money damages, and includes an arbitration, mediation or any other alternative dispute resolution procedure seeking such damages, to which the "insured" must submit or may submit with "our" consent. "Suit" shall not include any civil proceeding or administrative proceeding arising from any labor or grievance dispute which is subject to a collective bargaining agreement.
- R. "Third party violation" means any actual or alleged discrimination or sexual harassment against "your" clients, customers, tenants, or vendors. "Third party violation" shall also include any of the following as it relates to such discrimination or sexual harassment:
1. Violation of an individual's civil rights;
 2. Libel;
 3. Slander;
 4. Humiliation;
 5. Mental anguish;
 6. Infliction of emotional distress;
 7. Defamation;
 8. Invasion of privacy; or

9. Any discrimination arising out of Title III of the Americans With Disabilities Act of 1990.
- S. "Transaction" means any of the following that occur during the "EPL coverage period":
 1. The "named insured" shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
 2. Any person or entity or group of persons or entities acting in concert shall acquire an amount of the outstanding securities representing more than fifty (50%) percent of the voting power for the election of directors or General Partners of the "named insured" (in the event the "named insured" is a Partnership), or acquires the voting rights of such an amount of such securities; or
 3. A General Partner of the "named insured" (in the event the "named insured" is a partnership) withdraws, resigns or is terminated.
- T. "Wrongful employment act(s)" means any actual or alleged:
 1. Wrongful dismissal, discharge or termination (either actual or constructive), including breach of an implied contract;
 2. Harassment or coercion (including sexual harassment, whether quid pro quo, hostile work environment or otherwise);
 3. Discrimination (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy, disability, or violation of Title III of the Americans With Disabilities Act of 1990);
 4. "Retaliation" (including lockouts);
 5. Employment-related misrepresentation(s) to "your" "employee" or "applicant for employment" with "you";
 6. Employment-related libel, slander, humiliation, mental anguish, infliction of emotional distress, defamation, or invasion of privacy;
 7. Wrongful failure to employ or promote;
 8. Wrongful deprivation of career opportunity, wrongful demotion or negligent "employee" evaluation, including the giving of negative or defamatory statements in connection with an "employee" reference;
 9. Wrongful discipline;
 10. Failure to provide or enforce adequate or consistent corporate policies and procedures relating to any "wrongful employment act" or "third party violations";
 11. Negligent supervision or hiring by an "insured", relating to any of the above; or
 12. Violation of an individual's civil rights relating to any of the above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE

SECTION VI. CONDITIONS, Clause F. Extended Reporting Periods, Paragraph 2.b. is replaced by the following:

- b. Upon payment of an additional premium of 100% of the full annual premium applicable to this EPL Coverage, a Supplemental Extended Reporting Period of one (1) year immediately following the effective date of cancellation or nonrenewal in which to give to "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said Supplemental Extended Reporting Period for any "wrongful employment acts" or "third party violations" occurring before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage.

To obtain the Supplemental Extended Reporting Period, "you" must request it in writing and pay the additional premium due, within sixty (60) days of the effective date of cancellation or nonrenewal. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If "we" do not receive the written request as required, "you" may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.



1195 River Road
P.O. Box 302
Marietta, PA 17547-0302
(717) 426-1931
www.donegalgroup.com

April 21, 2020

Pexe Nori II LLC
c/o Julie Tsounos
3053 Whiten Pine Dr.
Gibsonia, PA 15044

Policy Number:	BOP-8925256
Claim Number:	BOP-PA-01-20-0909899
Insured:	Pexe Nori II LLC T/A Learning Express Of Wexford
Date of Loss:	03/15/2020
Loss Location:	10628 Perry Hwy, Wexford, PA 15090

Dear Ms. Tsounos:

This letter is in regards to a claim received by Donegal Mutual Insurance Company ("Donegal") for loss as a result of the impact to your business operations due to the novel Coronavirus (Covid-19).

The purpose of this letter is to advise you that we have completed our investigation and have determined that there is no coverage for your claim.

During our conversation on April 20, 2020, you advised that your business has been closed since March 15, 2020, due to the Governor's shutdown of all non-essential businesses in response to the Coronavirus (COVID-19). This has resulted in a loss of business income. You advised that you applied for a waiver to remain open and provide curbside pickup, however this was denied. Additionally you advised that prior to the closure, you noticed a decrease in business around the beginning of March due to virus concerns.

We have reviewed your policy of insurance to determine whether coverage is available for the claim you have presented. The Commercial Policy you have with Donegal includes the following forms which are applicable to your claim and our coverage determination:

BP 0002 12/99 Businessowners Special Property Coverage Form
BPD 302 07/15 Businessowners Plus Endorsement
BPD 0441 07/09 Business Income Changes- Increased Period of Restoration No
Waiting Period
BPD 0601 01/19 Exclusion Of Loss Due To Virus Or Bacteria



While all policy forms and endorsements were considered in our analysis the policy language excluding coverage for your claim is found in the BP 0002 12/99 Businessowners Special Property Coverage Form as amended by endorsement BPD 0601 0119 Exclusion Of Loss Due To Virus Or Bacteria which states as follows:

BP 0002 12/99 Businessowners Special Property Coverage Form

A. Coverage

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

...

3. Covered Causes Of Loss

Risks Of Direct Physical Loss unless the loss is:

- a. Excluded in Section **B.**, Exclusions; or
 - b. Limited in Paragraph **A.4.**, Limitations;
- that follow.

B. Exclusions

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA-BPD 0601 01/19

This endorsement modifies insurance provided under the following:
BUSINESSOWNERS POLICY

The following provisions apply with respect to the insurance provided by the Businessowners Property Coverage Form.

- A.** The exclusion set forth in Paragraph **B.** applies to all property coverage under all forms and endorsements that comprise this Businessowners Policy, except as provided in Paragraph **C.** This includes but is not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- C.** However, the exclusion in Paragraph **B.** does not apply to the following:
 - 1. Loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Businessowners Policy;or

2. Coverage otherwise provided under the Food Contamination Endorsement **BPD 0431** or the Food Contamination Additional Coverage included in the Businessowners Plus Property Enhancement Endorsement (if one of those endorsements is attached to this Businessowners Policy).
- D. With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to "pollutants".
 - 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 Businessowners Policy.

Based upon the above referenced Exclusion Of Loss Due To Virus Or Bacteria (BPD 06 01 01 19), there is no coverage under the policy for the claim you have presented. Additionally, the Business Income, Extra Expense, and Civil Authority provisions in the policy require direct physical loss of or damage to property, which has not been demonstrated in this claim. Other exclusions or limitations on coverage may also apply, including but not limited to the exclusion of losses caused by or resulting from delay, loss of use, loss of market or any other consequential loss as stated in your policy.

In setting forth our coverage decision, Donegal expressly reserves all rights, terms, conditions and exclusions and defenses it may have under the Policy. No action by any employee, agent, attorney or other person on behalf of Donegal; or hired by Donegal on your behalf; shall waive or be construed as having waived any right, term, condition, exclusion or defense available under the Policy. Donegal reserves the right to supplement this denial of coverage should facts and/or circumstances, not currently known to Donegal, indicate the applicability of additional terms and or exclusions. Should you wish to bring to my attention additional facts that might alter this decision, please do not hesitate to contact me. Our review of any additional facts will not be a waiver of this denial of coverage and will not alter the terms of the denial set forth herein.

Please note your policy contains the following provision:

E. Property Loss Conditions

4. Legal Action Against Us

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

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

We thank you for choosing us as your insurance provider and regret that your policy does not provide coverage for the claim you have presented. If you have any questions, or if I can be of any assistance to you, please do not hesitate to contact me at 1-800-877-0600 x 7030 or kristenslusar@donegalgroup.com.

Sincerely,

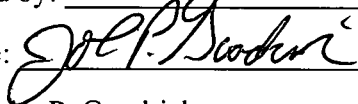
Kristen Slusar
Property Claims Representative
1-800-877-0600 x 7030

Cc: THE 4 I INSURANCE GROUP LLC 600 N BELL AVE SUITE 120 CARNEGIE, PA 15106

CERTIFICATE OF COMPLIANCE

I certify that this filing complies with the provisions of the *Case Records Public Access Policy of the Unified Judicial System of Pennsylvania* that require filing confidential information and documents differently than non-confidential information and documents.

Submitted by: John P. Goodrich

Signature: 

Name: John P. Goodrich

Attorney No. (if applicable): 49648

Supreme Court of Pennsylvania

Court of Common Pleas

Civil Cover Sheet

Allegheny

County

For Prothonotary Use Only:

Docket No:

Gb 20 5423

TIME STAMP

The information collected on this form is used solely for court administration purposes. This form does not supplement or replace the filing and service of pleadings or other papers as required by law or rules of court.

SECTION A

Commencement of Action:

- ☒ Complaint ☐ Writ of Summons ☐ Petition
☐ Transfer from Another Jurisdiction ☐ Declaration of Taking

Lead Plaintiff's Name:

Pexe Nori II, LLC

Lead Defendant's Name:

Donegal Mutual Insurance Company

Are money damages requested? ☒ Yes ☐ No

Dollar Amount Requested: ☐ within arbitration limits
☒ outside arbitration limits
(check one)

Is this a *Class Action Suit*? ☒ Yes ☐ No

Is this an *MDJ Appeal*? ☐ Yes ☒ No

Name of Plaintiff/Appellant's Attorney: John P. Goodrich, Esq.

☐ Check here if you have no attorney (are a Self-Represented [Pro Se] Litigant)

SECTION B

Nature of the Case: Place an "X" to the left of the ONE case category that most accurately describes your **PRIMARY CASE**. If you are making more than one type of claim, check the one that you consider most important.

TORT (do not include Mass Tort)

- ☐ Intentional
☐ Malicious Prosecution
☐ Motor Vehicle
☐ Nuisance
☐ Premises Liability
☐ Product Liability (does not include mass tort)
☐ Slander/Libel/ Defamation
☐ Other:

MASS TORT

- ☐ Asbestos
☐ Tobacco
☐ Toxic Tort - DES
☐ Toxic Tort - Implant
☐ Toxic Waste
☐ Other:

PROFESSIONAL LIABILITY

- ☐ Dental
☐ Legal
☐ Medical
☐ Other Professional:

CONTRACT (do not include Judgments)

- ☐ Buyer Plaintiff
☐ Debt Collection: Credit Card
☐ Debt Collection: Other

☐ Employment Dispute:
Discrimination
☐ Employment Dispute: Other

☐ Other:

REAL PROPERTY

- ☐ Ejectment
☐ Eminent Domain/Condemnation
☐ Ground Rent
☐ Landlord/Tenant Dispute
☐ Mortgage Foreclosure: Residential
☐ Mortgage Foreclosure: Commercial
☐ Partition
☐ Quiet Title
☐ Other:

CIVIL APPEALS

- Administrative Agencies
☐ Board of Assessment
☐ Board of Elections
☐ Dept. of Transportation
☐ Statutory Appeal: Other

☐ Zoning Board
☐ Other:

MISCELLANEOUS

- ☐ Common Law/Statutory Arbitration
☐ Declaratory Judgment
☐ Mandamus
☐ Non-Domestic Relations
☐ Restraining Order
☐ Quo Warranto
☐ Replevin
☒ Other:
Class Action
