



NAILAH K. BYRD
CUYAHOGA COUNTY CLERK OF COURTS
1200 Ontario Street
Cleveland, Ohio 44113

Court of Common Pleas

New Case Electronically Filed: COMPLAINT
April 9, 2020 15:48

By: NICHOLAS A. DICELLO 0075745

Confirmation Nbr. 1982739

MILLENNIA HOSPITALITY GROUP, LLC ROSE MAR
LTD DBA

CV 20 931791

vs.

THE CINCINNATI INSURANCE COMPANY

Judge: CASSANDRA COLLIER-WILLIAMS

Pages Filed: 429

IN THE COURT OF COMMON PLEAS
CUYAHOGA COUNTY, OHIO

MILLENNIA HOSPITALITY GROUP, LLC
ROSE MAR, LTD dba THE LOCKKEEPERS
4000 Key Tower
127 Public Square
Cleveland, Ohio 44114

Plaintiffs

vs.

THE CINCINNATI INSURANCE COMPANY
6200 South Gilmore Road
Fairfield, Ohio 45014-5141

Defendant

CASE NO.:

JUDGE:

**COMPLAINT FOR DECLARATORY
RELIEF**

(With Jury Demand)

COMPLAINT AND REQUEST FOR DECLARATORY RELIEF

1. Plaintiff Millennium Hospitality Group, LLC is a limited liability company organized under Ohio law with its principal place of business in Cleveland, Ohio. Millennium is in the hospitality industry and operates some the finest venues in the country – Lockkeepers, Marble Room, Il Venetian, Marble Sushi Room, Il Venetian Doughnuts and Gelato, and St. Clair Ballroom.

2. Defendant The Cincinnati Insurance Company (“CIC”) is also an Ohio corporation with its principal place of business in Ohio that sells insurance in Cuyahoga County and throughout Ohio.

3. At all times relevant, CIC insured Millennium Hospitality Group, LLC, Rose Mar, LTD dba The Lockkeepers pursuant to an insurance policy drafted by CIC. A copy of the CIC policy at issue, number EPP 056 27 17, is attached as Exhibit 1 (“the Policy”). The remaining

Plaintiffs are all additional named insureds in the Policy, and all Plaintiffs will be collectively referred to as “Millennia.”

4. Defendant CIC delivered the Policy to Plaintiff in Cuyahoga County, the Policy insures Plaintiff’s property, business operations, and potential liabilities in connection with Plaintiff’s business operations, at locations in Cuyahoga County, and the covered losses at issue were incurred by Millennia in Cuyahoga County, making venue appropriate in this Court.

5. The Policy provides coverage for loss of Business Income (“BI”), Extra Expense (“EE”) coverage, and coverage for loss due to the actions of a Civil Authority.

6. Relevant portions of the Policy provide, subject to other Policy terms, that Defendant CIC will:

- a. “pay for the actual loss of “Business Income” and “Rental Value” you sustain due to the necessary “suspension” of your “operations” during the “period of restoration”. The “suspension” must be caused by direct “loss” to property at a “premises” caused by or resulting from any Covered Cause of Loss;” and
- b. “will pay Extra Expense you sustain during the “period of restoration;” and
- c. that “[w]hen a Covered Cause of Loss causes damage to property other than Covered Property at a “premises”, [CIC] will pay for the actual loss of “Business Income” and necessary Extra Expense you sustain caused by action of civil authority that prohibits access to the “premises...”

7. While the Policy was in force, Millennia sustained, and continues to sustain, a loss(es) due to COVID-19 at, in, on, and/or around Millennia’s premises described in the Policy.

8. While the Policy was in force, Millennia sustained, and continues to sustain, a loss(es) due to the spread of COVID-19 in the community (the “Pandemic”).

9. While the Policy was in force, Millennia sustained, and continues to sustain, a loss(es) due to the civil authority orders issued by the Governor of Ohio and the Ohio Department of Health addressing COVID-19 and the Pandemic.

10. COVID-19 is a virus.

11. COVID-19 is a physical substance.

12. COVID-19 is a human pathogen.

13. COVID-19 can be present outside the human body in viral fluid particles.

14. COVID-19 can and does live on and/or remains capable of being transmitted and active on inert physical surfaces.

15. COVID-19 can and does live on and/or remains capable of being transmitted and active on floors, walls, furniture, desks, tables, chairs, countertops, computer keyboards, touch screens, cardboard packages, food items, silverware, plates, serving trays, glasses, straws, menus, pots, pans, kitchen utensils, faucets, refrigerators, freezers, and other items of property for a period of time.

16. COVID-19 can be transmitted by way of human contact with surfaces and items of physical property on which COVID-19 particles are physically present.

17. COVID-19 has been transmitted by way of human contact with surfaces and items of physical property located at premises in Cuyahoga County.

18. COVID-19 can be transmitted by human to human contact and interaction at premises in Cuyahoga County, including places like restaurants.

19. COVID-19 has been transmitted by human to human contact and interaction at premises in Cuyahoga County.

20. COVID-19 can be transmitted through airborne viral particles emitted into the air at premises.

21. COVID-19 has been transmitted by way of human contact with airborne COVID-19 particles emitted into the air at premises in Cuyahoga County.

22. The presence of any COVID-19 particles renders items of physical property unsafe.

23. The presence of any COVID-19 particles on physical property impairs its value, usefulness and/or normal function.

24. The presence of any COVID-19 particles causes direct physical harm to property.

25. The presence of any COVID-19 particles causes direct physical loss to property.

26. The presence of any COVID-19 particles causes direct physical damage to property.

27. The presence of any COVID-19 particles at premises renders the premises unsafe, thereby impairing the premises' value, usefulness and/or normal function.

28. The presence of people infected with or carrying COVID-19 particles renders physical property in their vicinity unsafe and unusable, resulting in direct physical loss to that property.

29. The presence of people infected with or carrying COVID-19 particles at premises renders the premises, including property located at that premises, unsafe, resulting in direct physical loss to the premises and property.

30. In response to COVID-19 and the Pandemic, the Governor of Ohio has issued multiple executive orders pursuant to the authority vested in him by the Ohio Constitution and the laws of Ohio.

31. In response to COVID-19 and the Pandemic, the Ohio Department of Health, pursuant to its authority under Ohio law, has issued multiple orders, including a Stay At Home Order.

32. The term “civil authority” is not defined in the Policy.

33. The State of Ohio is a civil authority as contemplated by the Policy.

34. The Ohio Department of Health is a civil authority as contemplated by the Policy.

35. The Governor of the State of Ohio is a civil authority as contemplated by the Policy.

36. On March 9, 2020, Ohio Governor Mike DeWine issued Executive Order 2020-01D that declared a state of emergency in response to the physical presence of COVID-19 and the Pandemic.

37. On March 15, 2020, Ohio restricted food and beverage sales to carry-out and delivery only, with no onsite consumption permitted. The stated goal of this order was to slow the spread of COVID-19 by minimizing in-person interaction “in an environment with a multitude of hard surfaces.” The order reiterated that “It may be possible that individuals can get COVID-19 by touching a surface or object that has the virus on it and then touching their own mouth, nose or eyes.” Also that:

Previously studied human coronaviruses (including SARS, which is very closely related to COVID-19) can survive on paper, wood, glass, plastic up to 4-5 days. *Persistence of coronaviruses on inanimate surfaces and their inactivation with biocidal agents*, The Journal of Hospital Infection, March 2020, Volume 104, Issue 3, Pages 246-251.

38. On March 22, 2020, the Ohio Department of Health issued a Stay At Home Order, effective March 23, 2020, ordering Ohio residents to stay at home. By way of this order the State of Ohio ordered all non-essential businesses in Ohio to cease all activities.

39. Millennia's businesses do not qualify as Essential Businesses and Millennia was required to cease and/or significantly reduce operations at all its locations.

40. The civil authority orders, including, but not limited to the Stay At Home Order, prohibit access to Millennia's premises described in the Policy.

41. The State of Ohio, through the Governor and the Department of Health, have Issued, and continue to issue, authoritative orders governing Ohioans and Ohio businesses, including Millennia, in response to COVID-19 and the Pandemic, the effect of which have required and continue to require Millennia to cease and/or significantly reduce operations at, and that have prohibited and continue to prohibit access to, the premises described in the Policy.

42. State and local governmental authorities, and public health officials around the Country, acknowledge that COVID-19 and the Pandemic cause direct physical loss and damage to property. For example:

- a. The state of Colorado issued a Public Health Order indicating that "COVID-19... physically **contributes to property loss, contamination, and damage...**" (Emphasis added);
- b. The City of New York issued an Emergency Executive Order in response to COVID-19 and the Pandemic, in part "because the virus **physically is causing property loss and damage.**" (Emphasis added);
- c. Broward County, Florida issued an Emergency Order acknowledging that COVID-19 "**is physically causing property damage.**" (Emphasis added);
- d. The State of Washington issued a stay at home Proclamation stating the "COVID-19 pandemic and its progression... remains a public disaster affecting life, health, [and] **property...**" (Emphasis added);
- e. The State of Indiana issued an Executive Order recognizing that COVID-19 has the "propensity to **physically** impact surfaces and personal **property.**" (Emphasis added);
- f. The City of New Orleans issued an order stating "there is reason to believe that COVID-19 may spread amongst the population by various means of exposure, including the propensity to attach to surfaces for prolonged period of time,

thereby spreading from surface to person and *causing property loss and damage* in certain circumstances.” (Emphasis added);

- g. The State of Illinois issued an Executive Order describing COVID-19’s “propensity to *physically* impact surfaces and personal *property*.” (Emphasis added);
- h. The State of New Mexico issued a Public Health Order acknowledging the “threat” COVID-19 “poses” to “*property*.” (Emphasis added);
- i. North Carolina issued a statewide Executive Order in response to the Pandemic not only “to assure adequate protection for lives,” but also to “assure adequate protection of... *property*.” (Emphasis added); and
- j. The City of Los Angeles issued an Order in response to COVID-19 “because, among other reasons, the COVID-19 virus can spread easily from person to person and it is *physically causing property loss or damage* due to its tendency to attach to surfaces for prolonged periods of time.” (Emphasis added).

43. COVID-19 and the Pandemic are physically impacting public and private property in Ohio and throughout the country.

44. COVID-19 and the Pandemic have caused and continue to cause direct physical loss and damage to property.

45. People in Cuyahoga County have been diagnosed with COVID-19.

46. People in Cuyahoga County have, and have had, COVID-19 disease but have not been diagnosed.

47. People in Cuyahoga County have COVID-19 particles on or about their person and personal property.

48. Properties and premises throughout Cuyahoga County contain the presence of COVID-19 particles on surfaces and items of property.

49. It is probable that COVID-19 particles have been physically present at Millennia’s premises described in the Policy during the Policy period.

50. It is probable that COVID-19 particles have been physically present on surfaces and items of property located at Millennia's premises described in the Policy during the Policy period.

51. It is probable that airborne COVID-19 particles have been physically present at Millennia's premises described in the Policy during the Policy period.

52. It is probable that people carrying COVID-19 particles in, on or about their person have been present at Millennia's premises described in the Complaint during the Policy period.

53. It is probable that airborne COVID-19 particles have been physically present at Millennia's premises described in the Policy during the Policy period.

54. Millennia has sustained direct physical loss and damage to items of property located at its premises and direct physical loss and damage to its premises described in the Policy as a result of the presence of COVID-19 particles and/or the Pandemic.

55. Millennia submitted a timely insurance claim to Defendant CIC.

56. Defendant CIC responded with a reservation of rights letter.

57. There is a dispute about whether Millennia is entitled to coverage under the Policy for its loss(es) sustained and to be sustained in the future. Accordingly, Millennia is entitled to declaratory relief from this Court pursuant to Ohio Civil Rule 57 and R.C. §§2721.01 to 2721.15.

58. Millennia is entitled to and demands a declaration that:

(1) Millennia sustained direct physical loss or damage to property at its premises described in the Policy as a result of COVID-19 and/or the Pandemic;

(2) COVID-19 is a covered cause of loss under the Policy;

(3) the Pandemic is a covered cause of loss under the Policy;

(4) the losses incurred by Millennia as the result of the orders issued by the Governor of Ohio and the Ohio Department of Health are covered losses under the Policy;

(5) Defendant CIC has not and cannot prove the application of any exclusion or limitation to the coverage for Millennia's losses alleged herein;

(6) Millennia is entitled to coverage for its past and future Business Income loss(es) and Extra Expense resulting from COVID-19 and/or the Pandemic for the time period set forth in the Policy;

(7) Millennia is entitled to coverage for loss(es) due to the actions of Ohio's civil authorities, including the Governor of Ohio and the Ohio Department of Health;

(8) Millennia has coverage for any substantially similar civil authority order in the future that limits or restricts the access to Millennia's places of business and/or its operations; and

(9) any other issue that may arise during the course of litigation that is a proper issue on which to grant declaratory relief.

59. Millennia does not seek a determination of its damages resulting from the coronavirus pandemic. If there is a dispute between the parties as to the amount of the loss, the Policy provides that such a dispute should be resolved by **Appraisal**:

Appraisal

If we and you disagree on the amount of "Business Income" or Extra Expense "loss", either may make written demand for an appraisal of the "loss". In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of "Business Income" or Extra Expense "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.

Each party will:

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

If there is an appraisal, we still retain our right to deny the claim. (FA 213 0516, pages 4-5 of 9)

60. Millennia prays for declaratory relief from the Court that Defendant CIC must resolve any dispute about the amount of loss via Appraisal. Millennia also requests the Court to appoint the umpire if the appraisers cannot agree.

61. Millennia prays for any further relief the Court deems proper, including attorney fees, interest, and costs as allowed by law or in the exercise of the Court's equitable jurisdiction.

WHEREFORE, Plaintiffs seek judgment against Defendant CIC, as set forth above, plus interest, costs, and attorney fees as allowed by law.

Respectfully submitted,

/s/ Robert P. Rutter

Robert P. Rutter (0021907)
Robert A. Rutter (0081503)
RUTTER & RUSSIN, LLC
One Summit Office Park, Suite 650
4700 Rockside Road
Cleveland, Ohio 44131
(216) 642-1425
brutter@OhioInsuranceLawyer.com
bobbyrutter@OhioInsuranceLawyer.com

/s/ Nicholas A. DiCello

Nicholas A. DiCello (0075745)
Dennis R. Lansdowne (0026036)
Jeremy A. Tor (0091151)
SPANGENBERG, SHIBLEY & LIBER,
LLP
1001 Lakeside Ave., Suite 1700

Cleveland, Ohio 44114
ndicello@spanglaw.com
dlansdowne@spanglaw.com
jtor@spanglaw.com

JURY DEMAND

Plaintiff hereby requests, pursuant to Civil Rule 38(B), a trial by jury of any of the issues in the within lawsuit that are properly triable to a jury.

/s/ Robert P. Rutter

ROBERT P. RUTTER
Attorney for Plaintiffs

ADDITIONAL CONDITIONS - PARTICIPATION

Participation

You will share in any dividends in accordance with conditions established by the Board of Directors.

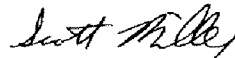
The first page of Declarations names the company issuing this policy. The officer signatures which correspond to That Company are a part of this policy. None of the other signatures apply to this policy.

SENTRY SELECT INSURANCE COMPANY

Stevens Point, Wisconsin



Secretary



President

EXHIBIT 1

COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

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

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

- c. Recommend changes.

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

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

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

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

MMSEA Section 111 - A Federal Statute You Need to Know

Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) statute institutes mandatory reporting requirements for claims involving a Medicare beneficiary. If you self administer these types of claims, you assume responsibility for reporting.

As your insurance carrier, we handle the reporting requirements for you. However, employers who don't report claims to their insurance carrier and take on the ongoing responsibility for medical payments (ORM) for claimants are subject to federal fines if the claimant is, or becomes, a Medicare beneficiary. Employers may receive a fine of \$1,000 per claim/per day and possible civil penalties, if the employer does not follow all reporting provisions in Section 111.

For more information

Below are answers to frequently asked questions to help clarify. For complete information, refer to the most recent MMSEA Section 111 Medicare Secondary Payer Mandatory User Guide - search the web by entering **NGHP User Guide** in the search field.

Why the MMSEA and why would this affect my business?

In December 2007, the MMSEA was signed into law in an effort to curb the rising cost of Medicare by enforcing Medicare's status as a secondary payer. Section 111 of the MMSEA adds new reporting provisions requiring that the Responsible Reporting Entity (RRE), typically the insurance carrier, report all workers' compensation, liability and no fault bodily injury claims within the time frame designated by the Secretary of the Coordination of Benefits Contractor (COBC).

Who is a Medicare beneficiary?

A Medicare beneficiary, in general, is any person who is 65 years of age or older, has been a legal resident of the United States for at least 5 years and is eligible for Medicare. People with disabilities under the age of 65 may also be eligible if they receive Social Security Disability Insurance (SSDI) benefits. Also, people with specific medical conditions and dependents, including minors, in certain circumstances may become eligible to enroll in Medicare.

Who is a Responsible Reporting Entity (RRE)?

RREs are typically insurers or self insured entities; however, employers who don't report claims to their insurance carrier and assume the responsibility for ongoing medicals become the RRE and are held to all of the Section 111 reporting provisions, even if the employer has an insurance policy with a carrier.

What defines Ongoing Responsibility for Medicals (ORM)?

The entity that assumes responsibility for ongoing medicals must monitor the status of their claimants who are Medicare beneficiaries until the claimant dies, a settlement has been made or the Statute of Limitations is met and the claim cannot be reopened. In many cases involving Workers' Compensation, and in certain No Fault states, there is no Statute of Limitations - the claim can be reopened at any time until the individual's death.

Which claims need to be reported?

All claims involving a Medicare beneficiary where a settlement, judgment, award or other payment is made must be reported. The entity who assumes ongoing responsibility for medicals (ORM) must monitor the status of a claimant for as long as their legal responsibilities for ORM remain open. In such circumstances the claim must be reported when the claimant becomes a Medicare beneficiary.

Every RRE must register with the Centers for Medicare & Medicaid Service (CMS), and once registered will be assigned a CMS liaison to help work through the testing and reporting process. More information regarding Section 111 and the reporting requirements can be found on the CMS website, cms.gov/MandatoryInsRep.



Billing Practices

Your commercial insurance protection is critical to your business operations. To ensure continued protection of your assets, we encourage you to pay your invoice promptly. The information below outlines our billing practices.

Payment Plans

We offer a variety of interest-free premium payment plans for our eligible customers. Multiple late payments may result in the immediate forfeiture of the premium payment plan.

Invoices

Your invoice provides you with a description of premium transactions that affect your account. It includes the information you need to effectively track your costs and coverage periods. Your invoice will list the date your premium payment is due in our office.

If you default on a premium payment, a notice of cancellation will be sent and may be applicable to your entire account with all of our companies.

We reserve the right to apply any amount owed to you by any of our companies against unpaid amounts owed by you to any of our companies.

In the event of policy cancellation, we reserve the right to request first party claim payment be applied to unpaid and past due earned premium on your account.

Audited Coverages (estimated)

If any of your coverages have been written on an estimated basis, at the end of the policy period you may be asked to provide information from your records, or an auditor may visit you. The purpose of the audit is to determine earned premium. After the audit, we will either credit your account with any return premium or bill you for any additional premium due.

Customer Service

If you have any questions or concerns regarding your invoice or about our payment plans, please contact our Customer Service Unit.



IMPORTANT NOTICE

What You Should Know About Our Protection of Your Privacy

Protecting the personal information of the individuals we serve is a priority for Sentry Insurance. We collect, retain and use personal information about individuals for the purpose of serving their insurance needs and providing services to them.

This notice describes how we handle personal information of the individuals we serve. It is only for your information. No action on your part is needed.

If you have questions regarding this notice, please write to Corporate Compliance/Privacy, 1800 North Point Drive, Stevens Point, WI 54481.

What kinds of information are collected and disclosed?

The types of information we may collect about you include:

- Information you provide on applications or other forms, or in your verbal responses to our questions. This may include identifying information such as name, address and information about your assets and income.
- Information about your transactions with us including policies purchased and premium payment history.
- Information we receive from a consumer reporting agency that indicates your credit worthiness and credit history.
- Information we collect from you as part of the claims process.

We do not sell customer lists or any personal information regarding our customers.

We only disclose nonpublic personal information about customers or former customers to other affiliated or nonaffiliated third parties as permitted or required by law. We may share personal financial information about you between affiliated companies within the Sentry Insurance Group in order to make additional services available to you (e.g. auto insurance customers may receive information about life insurance products, and vice versa).

For those clients of Point Insurance Agency, LLC, Florists' Insurance Service Inc. and/or the Parker Stevens agencies, these agencies may disclose your nonpublic personal information to nonaffiliated insurance companies as reasonably necessary to provide you with insurance products and services.

How do we safeguard your privacy?

- We maintain physical, electronic and procedural safeguards to protect your personal financial information.
- We restrict access to nonpublic personal financial data to those associates who need to know that information in order to provide products or services to you.
- We communicate to associates in writing the importance of protecting confidential information.
- We may amend our privacy policies at any time. If we do, we will inform you in writing.

This notice applies to each of the following companies. Companies may not be licensed in all states.

Sentry Insurance a Mutual Company	Parker Stevens Agency, L.L.C.	Sentry Equity Services, Inc.
Dairyland County Mutual Insurance Company of Texas	Parker Stevens Insurance Agency of Massachusetts, Inc.	Sentry Life Insurance Company
Dairyland Insurance Company	Patriot General Insurance Company	Sentry Life Insurance Company of New York
Middlesex Insurance Company	Peak Property and Casualty Insurance Corporation	Sentry Lloyds of Texas
Parker Assurance Ltd.	Point Insurance Agency, LLC	Sentry Select Insurance Company
Parker Centennial Assurance Company	Sentry Casualty Company	Viking Insurance Company of Wisconsin
Parker Services, L.L.C.	Florists' Mutual Insurance Company	Florists' Insurance Company
Florists' Insurance Services Inc.		



Sentry customer resources and contact information

Customer Service

Our customer service team is ready to help you find the answers to your policy questions.

Phone: 800-473-6879
Online: sentry.com (access through My account)
Email: businessproducts_ssdo@sentry.com
Fax: 888-533-7827
Hours: Mon-Fri, 7 a.m. - 6 p.m. CT
Mail: Sentry Insurance Customer Service Unit
P.O. Box 8022
Stevens Point, WI 54481

Billing

You can submit your premium payments securely over the phone, online, or by mail.

Phone: 800-473-6879
Online: sentry.com (access through My account)
Mail: Sentry Insurance
PO Box 8019
Stevens Point, WI 54481

Claim Reporting

It's important to report claims immediately, even if you don't necessarily have all the information. With Sentry, you can report a claim by phone, fax, or online-24/7, 365 days a year. To speed up the process, please have your policy or account number ready. For more information, please refer to the claim reporting section. To report a claim or check the status of an existing claim, use the following contact information:

Phone: 800-473-6879
Online: sentry.com (access through My account)
Fax: 800-999-4642
Email: claimsmail@sentry.com (for claim reporting only)
Mail: (Workers' compensation)
Sentry Claims Service
PO Box 8032
Stevens Point, WI 54481

Mail: (Liability-General/auto/property)
Sentry Claims Service
PO Box 8026
Stevens Point, WI 54481

Risk management resources

As a Sentry customer, you have access to our valuable risk management programs and resources. We're committed to providing market-leading products and services that make sense for you and your business.

- **Sentry Connect** is our intuitive, secure online portal that provides access to risk management resources designed to help you improve safety within your organization. To access Sentry Connect, visit sentry.com and click Log in.
- **Sentry Safety Trainer** is our interactive, online safety training system offering your business significant training cost savings over instructor-led methods. To access your free safety training lessons, please call 800-443-9655, option 3. You can also visit sentrysafetytrainer.com for sample safety lessons.



ACCOUNT NUMBER: A0098742

COMMON POLICY DECLARATIONS

Sentry Select Insurance Company (A Participating Stock Company) A member of the Sentry Insurance Group 1800 North Point Drive Stevens Point, WI 54481	Producer Richard Rosson 10000258 440-821-8545
---	--

GENERAL INFORMATION

First Named Insured: KG Automotive Pittsburgh LLC dba Ken Ganley Toyota
Address: 1110 Clairton Blvd
Pleasant Hills, PA 15236-4560
Business Type: LLC

Unless stated elsewhere, the coverage provided under the policies included in this Contract are effective 02/26/2020 to 02/26/2021 at 12:01 A.M. Standard Time at your mailing address shown above.

In return for the payment of the premium, and subject to the terms of this Contract, we agree to provide the insurance as stated in the policies which are included in this Contract.

NAMED INSUREDS

The **FIRST NAMED INSURED** shown in the **GENERAL INFORMATION** above, and the person(s) or organization(s) shown as **NAMED INSUREDS** below are named insureds for all policies included in this contract, unless a specific exception is included in the Declarations for an individual policy.

Not Applicable

COVERED LOCATIONS/SCHEDULE OF PREMISES

Prem.#	Bldg.#	Address	Construction	Occupancy
1	1	1110 Clairton Blvd Pleasant Hills, PA 15236-4560	Masonry Non-Combustible - Other Than Reinforced - Light Steel	Automobile Repair or Service Shops - Major engine or body repair
1	2	1110 Clairton Blvd Pleasant Hills, PA 15236-4560	Fire Resistive - Other Than Reinforced Masonry - Other Than Light Steel	Car Washes
1	3	1110 Clairton Blvd Pleasant Hills, PA 15236-4560	Masonry Non-Combustible - Other Than Reinforced - Light Steel	Automobile Repair or Service Shops - Major engine or body repair
2		7045 Clairton Rd West Mifflin, PA 15122-2428		

ACCOUNT NUMBER: A0098742

COVERAGES

This Contract consists of the following Coverages:

COMMERCIAL PROPERTY COVERAGE	A0098742002
COMMERCIAL INLAND MARINE COVERAGE	A0098742003
COMMERCIAL CRIME COVERAGE	A0098742004
COMMERCIAL AUTO COVERAGE	A0098742001
COMMERCIAL EXCESS/UMBRELLA COVERAGE	A0098742009
ERRORS AND OMISSIONS COVERAGE	A0098742005

CONTACT INFORMATION

For service, please contact your Sentry Account Manager at the number listed above or our Service office at:

Address:	1800 North Point Drive Stevens Point, WI 54481	Phone:	Toll Free Fax	800-473-6879 800-514-7191
Email:	businessproducts_direct@sentry.com			

COMMON POLICY FORMS AND/OR ENDORSEMENTS

The following forms and/or endorsements apply to all coverages included as part of this policy:

Form/Endorsement Number and Edition Date	Form/Endorsement Title
80 2314 SSDO 05 00	Additional Conditions - Membership And Participation
IL 00 17 11 98	Common Policy Conditions

These declarations together with the common policy conditions, coverage part declarations, coverage part coverage form(s) and forms and endorsements, if any, issued to form a part thereof, complete the above numbered policy.

**NOTICE TO POLICYHOLDERS
POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE**

This Notice has been prepared in conjunction with the POTENTIAL implementation of changes related to coverage of terrorism under your policy.

The Terrorism Risk Insurance Act established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. That Program will terminate at the end of December 31, 2020 unless extended by the federal government. Your policy will become effective (or will be renewed) while the federal program is still in effect, but prior to a decision by the federal government on extension of the federal Program. If the federal Program terminates or is extended with certain changes, during the term of your policy, then the treatment of terrorism under your policy will change. This Notice is being provided to you for the purpose of summarizing potential impact on your coverage. The summary is a brief synopsis of significant exclusionary provisions and limitations.

This Notice is NOT a part of your insurance contract. This Notice is designed to alert you to coverage restrictions and to other provisions in certain terrorism endorsement(s) in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

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

YOUR POLICY AT START OF NEW POLICY TERM

Your policy includes one or more of the following Coverage Parts. The changes described in this notice apply to coverage provided by those Coverage Parts:

Commercial Property Coverage Part
Commercial Inland Marine Coverage Part

INFORMATION THAT APPLIES TO PROPERTY IN STATES OTHER THAN FLORIDA AND NEW YORK

Your policy contains an endorsement that excludes "certified acts of terrorism". The exclusion for "certified acts of terrorism" relates to criteria in the Federal Terrorism Risk Insurance Act. With respect to "certified acts of terrorism", policy exclusions (for example the nuclear hazard and war exclusions) and other policy provisions continue to apply.

In certain states, the terrorism exclusion in your policy does not restrict fire coverage because of statutory requirements in those states. Losses attributable to fire following an act of terrorism, if otherwise covered, are covered in the following states:

Commercial Property Coverage Part

California, Georgia, Illinois, Iowa, Maine, Missouri, New Jersey, North Carolina, Oregon, Rhode Island, Washington, West Virginia and Wisconsin.

For the following states, the exception for fire losses applies to "other acts of terrorism" but does not apply to "certified acts of terrorism":
Connecticut, Idaho, Massachusetts, and Virginia

Commercial Inland Marine Coverage Part

California, Maine, Missouri, Oregon, and Wisconsin

INFORMATION THAT APPLIES TO PROPERTY IN FLORIDA AND NEW YORK

Your policy contains an endorsement excluding coverage for "certified acts of terrorism". In certain states, the "certified acts of terrorism" exclusion in your policy does not restrict fire coverage because of statutory requirements in those states. Losses attributable to fire following a "certified act of terrorism", if otherwise covered, are covered in New York for Commercial Property Coverage part.

NOTICE TO POLICYHOLDERS - CONTINUED
POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE

POTENTIAL CHANGE DURING THE TERM OF THE POLICY:

If endorsement IL 09 95 is attached to your policy (or equivalent endorsements: IL 00 35 for Alaska or IL 00 56 for Idaho) - its provisions become applicable to your policy only if certain events (one or more of them) occur. Those events include the following:

- If the federal Terrorism Risk Insurance Program (TRIP) terminates with respect to the type of insurance provided under this policy. (TRIP is scheduled to terminate at the end of December 31, 2020 unless extended by the federal government); or
- If TRIP is extended with changes that redefine terrorism, and we are not required to make such revised coverage available to you; or
- If TRIP is extended with changes that make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other events or occurrences under this policy, and we are not required to make such revised coverage available to you; or
- If TRIP is extended with changes that increase insurers' statutory percentage deductible under TRIP for terrorism losses or decreases the federal government's statutory percentage share in potential terrorism losses, and we are not required to make terrorism coverage available to you. Our deductible for 2020 is 20% of the total of your previous year's direct earned premiums. For 2020, the governments share is 80% of the terrorism losses paid by us above the deductible.

Endorsement IL 09 95 (and equivalent endorsements IL 00 35 and IL 00 56) treats terrorism as follows:

Coverage for loss or damage arising out of a terrorism incident is excluded if:

- The total of all insured damage to all types of property (including business interruption losses, sustained by owners or occupants of damaged property), from the incident exceeds \$25 million. The \$25 million property damage threshold is based on losses sustained by all persons and entities who are affected by an incident of terrorism, and who are insured for the damage, or who would be insured but for a terrorism exclusion; (To determine whether the \$25 million threshold for property damage is exceeded, multiple incidents of terrorism which occur within a seventy-two hour period and appear to be linked together or have a related purpose or common leadership behind them will be considered to be one incident of terrorism), or
- The terrorism event involves nuclear materials or results in nuclear reaction or radiation or radioactive contamination; or
- The terrorism event involves the release of radioactive material and it appears that one purpose of the terrorism was to release such material; or
- The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- The terrorism event involves the release of pathogenic or poisonous biological or chemical materials and it appears that one purpose of the terrorism was to release such materials.

The exception Covering Certain Fire Losses applies only in certain states. If the exception applies in any states under your policy, that is indicated in the Schedule of the terrorism endorsement. If the Exception applies, the Schedule indicates the affected types of insurance in affected states. When the Exception applies, the exclusion of terrorism does not apply to direct loss or damage by fire to Covered Property with respect to affected types of insurance in affected states.

See the definition of terrorism for purposes of the terrorism exclusion.



POLICY NUMBER: A0098742002

COMMERCIAL PROPERTY COVERAGE DECLARATIONS

Sentry Select Insurance Company (A Participating Stock Company) A member of the Sentry Insurance Group 1800 North Point Drive Stevens Point, WI 54481	Producer Richard Rosson 10000258 440-821-8545
---	--

POLICY INFORMATION

First Named Insured: KG Automotive Pittsburgh LLC dba Ken Ganley Toyota
Address: 1110 Clairton Blvd
Pleasant Hills, PA 15236-4560

The Commercial Property Coverage applies from 02/26/2020 to 02/26/2021 at 12:01 A.M. Standard Time at the First Named Insured's mailing address shown above.

Additional Interests

The persons or organizations listed as Additional Interests, in the Additional Interests Supplemental Schedule, are included as loss payees, lenders loss payees, mortgagees, or additional insureds, but only for the coverages and to the extent of their interest as indicated.

Applicable Forms And Endorsements

In addition to the common policy forms and endorsements, the following forms and endorsements apply to the Commercial Property Coverage:

Form/Endorsement Number and Edition Date	Form/Endorsement Title
80 579 P 01 20	Notice To Policyholders Potential Restrictions Of Terrorism Coverage
CP 00 10 10 12	Building And Personal Property Coverage Form
CP 00 30 10 12	Business Income (And Extra Expense) Coverage Form
CP 00 90 07 88	Commercial Property Conditions
CP 01 40 07 06	Exclusion Of Loss Due To Virus Or Bacteria
CP 04 11 10 12	Protective Safeguards
CP 10 30 10 12	Causes Of Loss - Special Form
CP 10 36 10 12	Limitations On Coverage For Roof Surfacing
CP 12 18 10 12	Loss Payable Provisions
CP 15 31 10 12	Ordinance Or Law - Increased Period Of Restoration
CP 70 23 10 01	Personal Property Leased
CP 70 27 10 12	Agreed Value
CP 70 43 04 02	Electronic Media And Records
CP 70 47 10 13	Equipment Breakdown
CP 88 03 10 01	False Pretense Extension For Stock
CP 88 10 10 12	Extended Recovery Endorsement - Buildings
CP 88 11 10 12	Dealers Broadened Building And Personal Property Coverage
CP 88 12 10 12	Dealers Broadened Annual Business Income Coverage
IL 01 66 09 07	Pennsylvania Changes - Actual Cash Value
IL 01 72 09 07	Pennsylvania Changes

Electronically Filed 04/09/2020 15:48 / / CV 20 931791 / Confirmation Nbr. 1982739 / CLSLP

CP 89 01 10 14
A0098742
Sentry Select Insurance Company

Form/Endorsement Number and Edition Date	Form/Endorsement Title
IL 02 46 09 07	Pennsylvania Changes - Cancellation And Nonrenewal
IL 09 10 07 02	Pennsylvania Notice
IL 09 35 07 02	Exclusion Of Certain Computer-Related Losses
IL 09 53 01 15	Exclusion Of Certified Acts Of Terrorism
IL 09 95 01 07	Conditional Exclusion Of Terrorism (Relating To Disposition Of Federal Terrorism Risk Insurance Act)
IL 70 26 07 13	Multiple Line Occurrence Deductible

COVERAGES

PREMISES NO.: 1

BUILDING NO.: 1

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance	Deductible
Building	\$4,961,000	Special Including Theft Equipment Breakdown		\$2,500

Optional Coverages

Extended Recovery

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance	Deductible
Your Business Personal Property	Blanket 1, See Blanket Limits Schedule	Special Including Theft Equipment Breakdown	100%	\$2,500

Optional Coverages

Inflation Guard 4%
Agreed Value
Replacement Cost

Electronic Media and Records	\$50,000	Special Including Theft Equipment Breakdown		\$2,500
-------------------------------------	----------	--	--	---------

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance
Business Income (And Extra Expense) Coverage: Other Than Rental Value	Actual Loss Sustained 12 Months	Special Including Theft Equipment Breakdown	

Ordinance or Law - Increased
Period of Restoration Applies

Optional Coverages

Extended Period of Indemnity 90 days

POLICY NUMBER: A0098742002

COVERAGES

PREMISES NO.: 1

BUILDING NO.: 2

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance	Deductible
Building	\$331,000	Special Including Theft Equipment Breakdown		\$2,500

Optional Coverages

Extended Recovery

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance	Deductible
Your Business Personal Property	Blanket 1, See Blanket Limits Schedule	Special Including Theft Equipment Breakdown	100%	\$2,500

Optional Coverages

Inflation Guard 4%
Agreed Value
Replacement Cost

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance
Business Income (And Extra Expense) Coverage: Other Than Rental Value	Actual Loss Sustained 12 Months	Special Including Theft Equipment Breakdown	

Ordinance or Law - Increased
Period of Restoration Applies

Optional Coverages

Extended Period of Indemnity 90 days

PREMISES NO.: 1

BUILDING NO.: 3

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance	Deductible
Building	\$3,418,000	Special Including Theft Equipment Breakdown		\$2,500

Optional Coverages

Extended Recovery

COVERAGES

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance	Deductible
Your Business Personal Property	Blanket 1, See Blanket Limits Schedule	Special Including Theft Equipment Breakdown	100%	\$2,500

Optional Coverages

Inflation Guard 4%
 Agreed Value
 Replacement Cost

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance
Business Income (And Extra Expense) Coverage: Other Than Rental Value	Actual Loss Sustained 12 Months	Special Including Theft Equipment Breakdown	

Ordinance or Law - Increased Period of Restoration Applies

Optional Coverages

Extended Period of Indemnity 90 days

BLANKET LIMITS SCHEDULE

Blanket No.	Blanket Limit of Insurance
1	\$1,592,000

COMMERCIAL PROPERTY POLICY OPTIONAL COVERAGES

Protective Safeguards

Premises No.	Building No.	Protective Safeguards Symbols Applicable
1	1	P-1
1	3	P-1

Dealers Broadened Building And Personal Property Coverage Endorsement

Direct Loss Blanket Limit \$25,000 Per Building Per Occurrence

Dealers Broadened Annual Business Income Coverage Endorsement

Indirect Loss Blanket Limit \$25,000 Per Building Per Occurrence

Limitations On Coverage For Roof Surfacing

Premises No.	Building No.	Indicate Applicability (Paragraph A. and/or Paragraph B.)
1	1	Paragraph B
1	2	Paragraph B
1	3	Paragraph B



POLICY NUMBER: A0098742002

ADDITIONAL INTEREST - SUPPLEMENTAL SCHEDULE

The following persons or organizations are included as Additional Interests, but only to the extent provided in the listed endorsement:

Additional Interest	Prem.#	Bldg.#	Coverage	Interest*	Endorsement Number
Fifth Third Bank 5050 Kingsley Drive maildrop 1MOC2D Cincinnati, OH 45263-0001	1	3	Building Coverage Personal Property	Mort LLP	CP 12 18 10 12
Fifth Third Bank 5050 Kingsley Drive maildrop 1MOC2D Cincinnati, OH 45263-0001	1	2	Building Coverage Personal Property	Mort LLP	CP 12 18 10 12
Fifth Third Bank 5050 Kingsley Drive maildrop 1MOC2D Cincinnati, OH 45263-0001	1	1	Building Coverage Personal Property	Mort LLP	CP 12 18 10 12

*Interest Descriptions

As used in this Supplemental Schedule: "AI" means Additional Insured; "LP" means Loss Payee; "LLP" means Lenders Loss Payable; "Mort" means Mortgage holder; "CSC" means Contract Of Sale Clause; "BLP" means Building Owners Loss Payable Clause

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

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

A. Coverage

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

1. Covered Property

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

a. **Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

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

- (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.
- c. **Personal Property Of Others** that is:
 - (1) In your care, custody or control; and
 - (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
 - (c) Rowboats or canoes out of water at the described premises; or
 - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;

- (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
 - (e) Remove deposits of mud or earth from the grounds of the described premises;
 - (f) Extract "pollutants" from land or water; or
 - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if **(4)(a)** and/or **(4)(b)** applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

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

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

Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

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

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

b. Preservation Of Property

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

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

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

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

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

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

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

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

e. Increased Cost Of Construction

- (1)** This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2)** In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3)** The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4)** Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a)** You were required to comply with before the loss, even when the building was undamaged; and
 - (b)** You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

- (a)** The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b)** Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

- (a)** We will not pay for the Increased Cost of Construction:
 - (i)** Until the property is actually repaired or replaced at the same or another premises; and
 - (ii)** Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

- (a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

(4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

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

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

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

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

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

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

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

(b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

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

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

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

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

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

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

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

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

f. Non-owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

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

(2) We will not pay for any loss or damage that occurs:

- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
- (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

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

g. Business Personal Property Temporarily In Portable Storage Units

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

(2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.

(3) Coverage under this Extension:

(a) Will end 90 days after the business personal property has been placed in the storage unit;

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

(4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.

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

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

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

Example 1

(This example assumes there is no Coinsurance penalty.)

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

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

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

\$ 60,100
- 250
\$ 59,850 Loss Payable - Building 1

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

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

Example 2

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

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

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

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties In The Event Of Loss Or Damage

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

- (1) Notify the police if a law may have been broken.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

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

6. Vacancy

a. Description Of Terms

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

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i)** Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
- (ii)** Used by the building owner to conduct customary operations.

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

b. Vacancy Provisions

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

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

- (a)** Vandalism;
- (b)** Sprinkler leakage, unless you have protected the system against freezing;
- (c)** Building glass breakage;
- (d)** Water damage;
- (e)** Theft; or
- (f)** Attempted theft.

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

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a.** At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

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

1. Coinsurance

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

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

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

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

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

Example 1 (Underinsurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

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

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

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

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

Example 2 (Adequate Insurance)

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

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 ($\$40,000$ amount of loss minus the deductible of \$250).

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

Example 3

When: The value of the property is:

Building at Location 1:	\$ 75,000
Building at Location 2:	\$ 100,000
Personal Property at Location 2:	<u>\$ 75,000</u>
	<u>\$ 250,000</u>

The Coinsurance percentage for it is: 90%

The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is: \$ 180,000

The Deductible is: \$ 1,000

The amount of loss is:

Building at Location 2:	\$ 30,000
Personal Property at Location 2:	<u>\$ 20,000</u>
	<u>\$ 50,000</u>

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

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

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

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

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

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your 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.

G. Optional Coverages

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

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

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

Example

If: The applicable Limit of Insurance is: \$100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 = \$ 3,200$

3. Replacement Cost

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

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

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

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

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

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

4. Extension Of Replacement Cost To Personal Property Of Others

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

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

H. Definitions

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

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

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

A. Coverage

1. Business Income

Business Income means the:

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

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

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

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

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

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

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

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

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Limitation - Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

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

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

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

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

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

whichever is later.

b. Alterations And New Buildings

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

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

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

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

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

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (1)(a) above.

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

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

(2) "Rental Value"

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

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

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

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

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation - Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation - Interruption of Computer Operations does not apply based on Paragraph A.4.d. therein.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;

(2) 30 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

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

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

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

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

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

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

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

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

(8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

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

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
- (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

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

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight - outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion - not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example 1 (Underinsurance)

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

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

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

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

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

Example 2 (Adequate Insurance)

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

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

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

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

1. Maximum Period Of Indemnity

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

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

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

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

Example

When: The Limit of Insurance is: \$ 120,000
 The fraction shown in the Declarations for this Optional Coverage is: 1/4
 The most we will pay for loss in each period of 30 consecutive days is: \$ 30,000
 (\$120,000 x 1/4 = \$30,000)
 If, in this example, the actual amount of loss is:

Days 1-30:	\$ 40,000
Days 31-60:	\$ 20,000
Days 61-90:	<u>\$ 30,000</u>
	\$ 90,000

We will pay:

Days 1-30:	\$ 30,000
Days 31-60:	\$ 20,000
Days 61-90:	<u>\$ 30,000</u>
	\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
 - (a) The Coinsurance percentage shown in the Declarations; multiplied by
 - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

- b. The Additional Condition, Coinsurance, is suspended until:
 - (1) 12 months after the effective date of this Optional Coverage; or
 - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
 - (1) Within 12 months of the effective date of this Optional Coverage; or
 - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
 - (1) The Business Income Limit of Insurance; divided by
 - (2) The Agreed Value.

Example

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

Step (1): \$100,000 ÷ \$200,000 = .50
 Step (2): .50 x \$80,000 = \$40,000

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

4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

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

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

COMMERCIAL PROPERTY CONDITIONS

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

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

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

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

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

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

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

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

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

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage - Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable
Describe Any "P-9":		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. The following is added to the Commercial Property **Conditions:**

Protective Safeguards

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
 - Sprinklers and discharge nozzles;
 - Ducts, pipes, valves and fittings;
 - Tanks, their component parts and supports; and
 - Pumps and private fire protection mains.
- When supplied from an automatic fire protective system:
 - Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-5" Automatic Commercial Cooking Exhaust And Extinguishing System installed on cooking appliances and having the following components:

- Hood;
- Grease removal device;
- Duct system; and
- Wet chemical fire extinguishing equipment.

"P-9", the protective system described in the Schedule.

B. The following is added to the **Exclusions** section of:

Causes Of Loss - Basic Form
Causes Of Loss - Broad Form
Causes Of Loss - Special Form
Mortgageholders Errors And Omissions Coverage Form
Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or

2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

CAUSES OF LOSS - SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G., Definitions.**

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

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 or compliance with any ordinance or law:

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

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

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

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

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

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

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

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

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

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

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

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

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

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

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

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

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

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

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

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

h. "Fungus", Wet Rot, Dry Rot And Bacteria

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

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

This exclusion does not apply:

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

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

2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - (1) Electrical or electronic wire, device, appliance, system or network; or
 - (2) Device, appliance, system or network utilizing cellular or satellite technology.

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

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

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

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
 - (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;

- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

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

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or

- (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

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

This exclusion, k., does not apply:

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

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

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

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

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

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

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

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

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

- c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

(1) Any loss caused by or resulting from:

- (a)** Damage or destruction of "finished stock"; or
- (b)** The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

- (a)** Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (b)** Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

b. Leasehold Interest Coverage Form

(1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

- (a)** Your cancelling the lease;
- (b)** The suspension, lapse or cancellation of any license; or
- (c)** Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this Coverage Form:

- (a)** Paragraph **B.1.a.** Ordinance Or Law;
- (b)** Paragraph **B.1.c.** Governmental Action;
- (c)** Paragraph **B.1.d.** Nuclear Hazard;
- (d)** Paragraph **B.1.e.** Utility Services; and
- (e)** Paragraph **B.1.f.** War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i)** Your assumption of liability was executed prior to the accident; and
- (ii)** The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft. However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
- (2) Business Income Coverage or Extra Expense Coverage.

- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property. However, this limitation does not apply:
 - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
 - (2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
 - a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
 - a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage - Collapse

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
 - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
 - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (1) A cause of loss listed in **2.a.** or **2.b.**;
 - (2) One or more of the "specified causes of loss";
 - (3) Breakage of building glass;
 - (4) Weight of people or personal property; or
 - (5) Weight of rain that collects on a roof.
3. This **Additional Coverage - Collapse** does **not** apply to:
 - a. A building or any part of a building that is in danger of falling down or caving in;
 - b. A part of a building that is standing, even if it has separated from another part of the building; or
 - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
 - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

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

if an abrupt collapse is caused by a cause of loss listed in 2.a. through 2.d., we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in 2.a. through 2.d.;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in 4., regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 5. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in D.1. through D.7.

E. Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

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

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

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

3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

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

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

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

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

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
LIMITATIONS ON COVERAGE FOR ROOF SURFACING

This endorsement modifies insurance provided under the following:

- BUILDERS RISK COVERAGE FORM
- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- CONDOMINIUM ASSOCIATION COVERAGE FORM
- CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
- STANDARD PROPERTY POLICY

SCHEDULE

Premises Number	Building Number	Indicate Applicability (Paragraph A. and/or Paragraph B.)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. The following applies with respect to loss or damage by a **Covered Cause of Loss (including wind and hail if covered)** to a building or structure identified in the Schedule as being subject to this Paragraph **A.**:

Replacement Cost coverage (if otherwise applicable to such property) does not apply to roof surfacing. Instead, we will determine the value of roof surfacing at actual cash value as of the time of loss or damage.

B. The following applies with respect to loss or damage by **wind and/or hail** to a building or structure identified in the Schedule as being subject to this Paragraph **B.**:

We will not pay for cosmetic damage to roof surfacing caused by wind and/or hail. For the purpose of this endorsement, cosmetic damage means that the wind and/or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

C. For the purpose of this endorsement, roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

POLICY NUMBER:

COMMERCIAL PROPERTY
CP 12 18 10 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

- BUILDERS' RISK COVERAGE FORM
- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- CONDOMINIUM ASSOCIATION COVERAGE FORM
- CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
- STANDARD PROPERTY POLICY

SCHEDULE

Location Number:	Building Number:	Applicable Clause (Enter C.1., C.2., C.3., or C.4.):
Description Of Property:		
Loss Payee Name:		
Loss Payee Address:		
Location Number:	Building Number:	Applicable Clause (Enter C.1., C.2., C.3., or C.4.):
Description Of Property:		
Loss Payee Name:		
Loss Payee Address:		
Location Number:	Building Number:	Applicable Clause (Enter C.1., C.2., C.3., or C.4.):
Description Of Property:		
Loss Payee Name:		
Loss Payee Address:		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

- A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.
- C. The following is added to the **Loss Payment** Loss Condition, as indicated in the Declarations or in the Schedule:

1. Loss Payable Clause

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

- a. Adjust losses with you; and
- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

2. Lender's Loss Payable Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- (1) Warehouse receipts;
- (2) A contract for deed;
- (3) Bills of lading;
- (4) Financing statements; or
- (5) Mortgages, deeds of trust, or security agreements.

- b. For Covered Property in which both you and a Loss Payee have an insurable interest:

- (1) We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- (2) The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

- (3) If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (a) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (b) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (c) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

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

- (4) If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (a) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (b) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- c. If we cancel this policy, we will give written notice to the Loss Payee 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.
- d. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

3. Contract Of Sale Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
- b. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
 - (1) Adjust losses with you; and
 - (2) Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
- c. The following is added to the **Other Insurance** Condition:
For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

4. Building Owner Loss Payable Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building, in which you are a tenant.
- b. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.
- c. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW - INCREASED PERIOD OF RESTORATION

This endorsement modifies insurance provided under the following:

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

A. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of "suspension" of "operations" caused by or resulting from a requirement to comply with any ordinance or law that:

1. Regulates the construction or repair of any property;
2. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
3. Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of or compliance with any ordinance or law which requires:

1. The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. Any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

B. The period of restoration definition is replaced by the following:

"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" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.

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

C. The following definition is added:

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

PERSONAL PROPERTY LEASED TO YOU

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

1. The final sub-paragraph of Section **A.1.b, Your Business Personal Property**, is replaced by the following:
(7) Leased personal property.
2. Section **A.1.c, Personal Property Of Others**, does not apply to personal property of others in your care, custody or control under a written lease agreement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AGREED VALUE

This endorsement modifies insurance provided by the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

- A.** The Optional Coverage, Agreed Value provision of the Coverage Form is replaced by the following:
The Additional Condition, coinsurance, does not apply to Covered Property to which this endorsement applies.
- B.** The second paragraph of the introduction to Section **A.5, Coverage Extensions**, is replaced by the following:
You may extend the insurance provided by this Coverage Part as follows:

ELECTRONIC MEDIA AND RECORDS

This endorsement modifies insurance provided by the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS SPECIAL FORM

I. Damage To Electronic Media And Records

The coverage provided by this endorsement is subject to all of the provisions of the policy that apply to insurance for Business Personal Property, except as provided below.

A. Coverage

1. Covered Property

Covered Property, as used in this endorsement, means the types of property described below, whether the property belongs to you or whether it is property of others in your care, custody or control.

- a. Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- b. Data stored on such media; and
- c. Programming records used for electronic data processing or electronically controlled equipment.

The Electronic Data Additional Coverage does not apply to Covered Property.

The valuable papers and records (other than electronic data) coverage extension does not apply to Covered Property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, deeds, records, abstracts, manuscripts or other valuable papers, except in data form.
- b. Property in storage away from the premises shown in the declarations, except as provided in the covered extensions.

3. Coverage Extensions

The following coverage extensions apply to the insurance provided by this endorsement. This insurance is in addition to the limits of insurance that apply to the insurance provided by this endorsement.

a. Property in Transit

You may extend this insurance to apply to:

- (1) Covered Property in transit; or
- (2) Covered Property away from your premises while it is in your custody or in the custody of your employee or agent.

The most we will pay for loss under this coverage extension is \$1,000.

b. Property at Storage Locations

You may extend this insurance to apply to covered property which is at a storage location in a building that is not a premises for which an Electronic Media Limit is shown in the Declarations.

The most we will pay for loss under this coverage extension is \$5,000.

B. Valuation

1. **Data.** We will value data and programming records that you replace or reproduce at the actual cost of reproduction. But we will not pay for data that you do not replace or reproduce.
2. **Media.** We will value media at the cost of repair or replacement with property of like kind and quality.

C. Exclusions

The following exclusions in the CAUSES OF LOSS SPECIAL FORM apply to coverage provided by this endorsement:

- 1. Exclusion **B.1.c., Governmental Action.**
- 2. Exclusion **B.1.d., Nuclear Hazard.**
- 3. Exclusion **B.1.f., War And Military Action.**
- 4. Exclusion **B.2.b.**
- 5. Exclusion **B.2.d.(1) and (2).**

If a cause of loss listed in these exclusions results in a "specified cause of loss" we will pay for the loss or damage caused by that "specified cause of loss".

- 6. Exclusions **B.2.d.(7)(a) and (b).**

If a cause of loss listed in these exclusions 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 if this policy covers loss by the causes of loss excluded in this paragraph. In that event, the limit that applies to the cause of loss includes property covered by this endorsement.

This exclusion does not apply if the excluded cause of loss results from physical damage by a covered cause of loss to an air conditioning unit or system, including its equipment and parts, which is part of or is used with the data processing system.

- 7. Exclusion **B.2.h.**
- 8. Exclusion **B.2.i.**
- 9. Exclusion **B.2.k.**
- 10. Exclusion **B.3.**

II. Business Income

- A. If this policy provides business income coverage we will pay for loss of business income that results from damage to covered property by any cause of loss covered by this endorsement.
- B. The electronic media and records limitation in the BUSINESS INCOME COVERAGE FORM does not apply to business income coverage provided by this policy.
- C. All of the other provisions of this policy that apply to business income coverage apply to coverage for business income loss that results from damage to covered property.

III. Extra Expense

- A. If this policy provides extra expense coverage we will pay for extra expense you incur as a result of damage to covered property by any cause of loss covered by this endorsement.
- B. All of the other provisions of this policy that apply to extra expense coverage apply to coverage for extra expense you incur as a result of damage to covered property.

EQUIPMENT BREAKDOWN

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS SPECIAL FORM

I. Insurance provided by this endorsement is subject to all of the terms of the Coverage Form and Causes of Loss Form except as specified below.

II. The following changes apply to the Coverage Form:

A. Coverage

Pollutant Clean-up and Removal. For insurance provided by this endorsement, the limit of insurance that applies to **Additional Coverage A.4.d.** is increased to \$250,000 unless otherwise stated in the Declarations.

B. Additional Conditions

The following is added to Section F of the Coverage Form:

Suspension:

Whenever Equipment Breakdown Covered Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss or damage to that Covered Property. This can be done by delivering or mailing a written notice of suspension to:

- a. Your last known address; or
- b. The address where the Covered Property 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.

III. Service Interruption Additional Coverage

Any insurance provided for Business Income or Extra Expense is extended to apply to your loss or expense caused by an "Equipment Breakdown" to equipment that is owned by a utility, landlord or other supplier, that is located within 1,000 feet of the described premises, 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 "Equipment Breakdown" except that it is not Covered Property.

IV. CFC Refrigerants

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances.

Additional costs means those in excess of what would have been required to repair or replace covered property, had no CFC refrigerant been involved.

We pay no more than the least of the following:

- A. The cost to repair the damaged property and replace any lost CFC refrigerant;
- B. The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- C. The cost to replace the system with one using a non-CFC refrigerant.

V. Jurisdictional Inspections

If any Covered Property under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspections on your behalf. We do not warrant that conditions are safe or healthful.

VI. Environmental, Safety and Efficiency Improvements

If Covered Property requires replacement due to an equipment breakdown, we will pay your additional costs to replace with equipment that is better for the environment, safer, or more energy efficient than the equipment it 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 apply to any property where Actual Cash Value provisions apply.

VII. The following changes apply to the Causes of Loss Special Form:

A. Exclusions

1. Equipment Breakdown Caused by Water.
If Water, as excluded elsewhere in this policy, results in equipment breakdown, we will pay for the loss or damage caused by that equipment breakdown.
This provision is added to the final paragraph of the Water exclusion in this policy.
2. Exclusion **B.2.b.** is replaced by the following:
 - b. Delay, loss of use or loss of market, except that we will pay for loss of perishable goods due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by coverages provided by this endorsement to types of property covered by this policy, that are:

- (1) Located on or within 1,500 feet of your described premises and are:
 - (a) Owned by the building owner at your described premises, or owned by a public utility; and
 - (b) Used to supply telephone, electricity, air conditioning, heating, gas, water or steam to your described premises; or
- (2) Located on your owned or leased trucks and trailers.

Unless otherwise stated in the Declarations, the most we will pay for loss or damage under this coverage is \$250,000.

3. The following exclusions do not apply to coverage provided by this endorsement:
 - a. Exclusion **B.2.a.**;
 - b. Exclusion **B.2.d.6.**; and
 - c. Exclusion **B.2.e.**

B. Limitations

Limitations **C.1.a.** and **C.1.b.** of the Causes of Loss Special Form do not apply to coverage provided by this endorsement.

C. Additional Coverage Extensions

The following provisions are added to Section F of the Causes of Loss Special Form:

1. Expediting Expenses

For coverage provided by this endorsement, with respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (i) Make temporary repairs;

- (ii) Expedite permanent repairs; and
- (iii) Expedite permanent replacement.

2. Refrigerant Contamination

Contamination by a refrigerant resulting from coverage provided by this endorsement, with respect to your damaged Covered Property to refrigerating, cooling or humidity control equipment, at the described premises and on your owned or leased trucks and trailers.

Unless otherwise stated in the Declarations, the most we will pay for loss or damage under this coverage is \$250,000.

D. Definitions

Definition **G.2.** of the Causes of Loss Special Form is replaced by the following:

G. Definitions

2. "Specified causes of loss" means the following: Fire, lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage; equipment breakdown.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open;
 - (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.

d. Equipment breakdown means direct damage to Covered Property as follows:

- (1)** Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (2)** Artificially generated electrical current; including electrical arcing, that disturbs electrical devices, appliances or wires;
- (3)** Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;
- (4)** Loss or damage to steam boilers, steam pipes, steam engines or steam turbines; or
- (5)** Loss or damage to hot water boilers or other water heating equipment.

If covered electrical equipment requires drying out as a result of a flood we will pay for the direct expenses of such drying out.

None of the following are Covered Property as respects equipment breakdown:

- (a)** Insulating or refractory material;
- (b)** Buried vessel or piping;

(c) Sewer piping, piping forming a part of a fire protection system or water piping other than:

- i.** Feed water piping between any boiler and its feed pump or injector; or
- ii.** Boiler condensate return piping; or
- iii.** Water piping used forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes.

(d) Structure, foundation, cabinet or compartment containing the object;

(e) Power shovel, dragline, excavator, automobiles, mobile equipment held for sale, floating vessel or structure, penstock, draft tube or well casing;

(f) Conveyor, crane, elevator, escalator or hoist, but not excluding any electrical machine or electrical apparatus mounted on or used with this equipment;

(g) Felt, wire, screen, die, extrusion, plate, swing hammer, grinding disc, cutting blade, cable, chain, belt, rope, clutch plate, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement.

FALSE PRETENSE EXTENSION FOR STOCK

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - SPECIAL FORM

Section **B. Exclusions**, Exclusion 2.i. does not apply to your "stock", subject to the following additional conditions:

- a. This extension does not apply to loss resulting from your acceptance of a check which is returned due to insufficient funds.
- b. This extension is subject to the deductible shown on the Declarations subject to a minimum deductible of \$500.

c. Additional Definition:

"Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

All other terms and provisions of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
EXTENDED RECOVERY ENDORSEMENT - BUILDINGS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

A. Guaranteed Replacement Cost

1. For Covered Property described under Subparagraph 1.a. **Building** of Section A. **Coverage:**

a. Loss Condition 7. **Valuation** is amended by replacing actual cash value with replacement cost (without deduction for depreciation).

b. Section C. **Limits of Insurance** is deleted and replaced with the following:

Subject to the conditions in A.2. below, the most we will pay for loss or damage in any one occurrence is the cost to repair or replace the Covered Property with like kind and quality and for a similar purpose or use, regardless of the Limit of Insurance shown in the Declarations.

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 cost to repair or replace the Covered Property.

2. The following additional conditions apply to the Guaranteed Replacement Cost extension:

a. We will not pay on a replacement cost basis for any loss or damage until the building is actually repaired or replaced and as soon as reasonably possible after the loss or damage.

b. You may make a claim for loss or damage covered by this insurance on an actual cash value basis, subject to the Limit of Insurance shown on the Declarations, instead of on a replacement cost basis. In the event you elect to have the loss or damage settled on an actual cash value basis, you may still make a claim for the replacement cost, subject to a. above, if you notify us of your intent to do so within 180 days after the loss or damage.

c. If you replace the building at a different premises, we will not pay more than the cost to replace the building at the original premises.

d. You must insure the building to 100% of the replacement cost as determined by our building appraisal. You must also accept each annual adjustment to building values calculated at policy renewal or annual anniversary date.

e. You must notify us of any physical changes you have made to the building in which the costs exceed 10% of the limit of insurance within 90 days from the date work on the changes began. You must also pay any additional premium due to adjust the limit of insurance accordingly.

If you fail to notify us as required, we will not pay more than 110% of the limit shown in the Declarations.

B. Ordinance or Law Coverage

If a Covered Cause of Loss occurs to a Building covered by this endorsement, we will pay:

1. For loss or damage caused by a requirement to comply with 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.

2. The increased cost to repair, rebuild or construct the property caused by a requirement to comply with a building, zoning, or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

We will not pay for increased construction costs under this coverage:

a. Until the property is actually repaired or replaced at the same premises or elsewhere; and

- b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 2 years from the date of loss. We may extend this period in writing during the 2 year period.
- 3. The cost to demolish and clear the site of undamaged parts of the property caused by a requirement to comply with a building, zoning, or land use ordinance or law.
- 4. Under Items 1. through 3. above, we will not pay under this endorsement for the costs associated with the enforcement or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- 5. We will not pay more:
 - a. If the property is repaired or replaced on the same premises, than the amount you actually spend to:
 - (1) Demolish and clear the site; and
 - (2) Repair, rebuild, or construct the property, but not for more than property of the same height, floor area, and style on the same premises.
 - b. If the property is not repaired or replaced on the same premises, than:
 - (1) The amount you actually spend to demolish and clear the site of the described premises; and
 - (2) The cost to replace on the same premises, the damaged or destroyed property with other property;
 - (a) Of comparable material and quality;
 - (b) Of the same height, floor area, and style; and
 - (c) Used for the same purpose.
 - c. For all loss or damage in any occurrence under Item 1., than the limit of insurance applicable to the covered Building property. For Items 2. and 3., we will not pay more than the Limit of Insurance specified in **D. Limits of Additional Insurance** below.

C. Debris Removal

The Additional Coverage, Debris Removal, is deleted and replaced with the following:

- 1. We will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- 2. This Additional Coverage does not apply to cost to:
 - a. Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - b. Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - c. Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - d. Remove property of others of a type that would not be Covered Property under this Coverage Form;
 - e. Remove deposits of mud or earth from the grounds of the described premises;
 - f. Extract "pollutants" from land or water; or
 - g. Remove, restore or replace polluted land or water.
- 3. The most we will pay under this Additional Coverage is the Limit of Insurance described in **D. Limits of Additional Insurance** below.

D. Limits of Additional Insurance

For Coverages **B.2.**, **B.3.**, and **C.** the most we will pay for loss under these coverages is 25% of the Limit of Insurance, as shown in the Declarations, for the Building damaged from a Covered Cause of Loss. This limit applies to any combination of these coverages and not individually for each coverage.

This Limit of Additional Insurance is in addition to the Limit of Insurance or the cost to repair or replace the Covered Property.

All other terms and provisions of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DEALERS BROADENED BUILDING AND PERSONAL
PROPERTY COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS SPECIAL FORM

I. The following changes apply to the Building and Personal Property Coverage Form

A. Coverage

1. Covered Property

a. Extended Premises Definition

Covered personal property (including building materials used for making additions, alterations or repairs to covered buildings) is covered while it is:

- (1) In or on the building described in the Declarations; or
- (2) In the open (or in a vehicle) within 1,500 feet of the described premises.

This provision modifies Sections **A.1.a.(5)(b)**., **A.1.b.** and **A.1.c.(2)** of the Building and Personal Property Coverage Form.

b. Additions to Your Business Personal Property

The insurance that applies to Your Business Personal Property includes the following property:

- (1) Data processing equipment;
- (2) Valuable papers and electronic media;
- (3) Fine arts; and
- (4) The following property at a building rented or leased to you if you have a contractual responsibility to pay for repair or replacement to after damage by a Covered Cause of Loss:
 - (a) Building glass;
 - (b) Outdoor fixtures; and
 - (c) Heating or air conditioning systems that service only the building leased to you.

The types of property described in this provision are added to Section **A.1.b.** of the Building and Personal Property Coverage Form.

c. Outdoor Fixtures

The insurance that applies to Your Business Personal Property includes outdoor fixtures that you own if they are not covered by any other coverage in a policy issued by us.

2. Property Not Covered

a. Paragraph **A.2.f.** of the Building and Personal Property Coverage Form is replaced by the following:

f. The cost of excavations, grading, filling or backfilling, except as provided in the Coverage Extensions.

b. Paragraph **A.2.g.** of the Building and Personal Property Coverage Form does not apply to this policy.

c. Paragraph **A.2.m.** of the Building and Personal Property Coverage Form does not apply to this policy.

d. Paragraph **A.2.p.** of the Building and Personal Property Coverage Form is replaced by the following:

p. "Vehicles" or self-propelled machines (including aircraft and watercraft) that:

- (1) Are licensed for use on public roads
- (2) Are operated principally away from the described premises; or
- (3) You manufacture, process, repair, service, store, warehouse, or hold for sale.

But this paragraph does not apply to:

- (a) Rowboats or canoes out of the water located at the described premises; or
- (b) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Trailers.

e. The following is added to Paragraph **A.2.** of the Building and Personal Property Coverage Form:

r. Labor, materials or services furnished by you or arranged by you on "vehicles" or self-propelled machines (including vehicles or watercraft) belonging to others.

3. Additional Coverages

a. The following provisions modify the Additional Coverages in the Building and Personal Property Coverage Form.

(1) Debris Removal

(a) The Limit of Insurance that applies to Section **A.4.a.(4)** of the Building and Personal Property Coverage Form is changed to \$50,000 or the Debris Removal limit shown in the Declarations. This coverage is excess over any other Debris Removal Coverage that may be available to you.

(b) The Additional Amount payable under Example 2 in Section **A.4.a.** of the Building and Personal Property Coverage Form is changed to \$29,500, which is the difference between the total debris removal expenses and the basic amount applicable.

(2) Preservation Of Property

Coverage under this Additional Coverage is extended to apply for 180 days after the property is first moved. The time period specified in Section **A.4.b.** of the Building and Personal Property Coverage Form does not apply to this Additional Coverage.

(3) Fire Department Service Charge

Coverage provided by the Fire Department Service Charge Additional Coverage is subject to the Direct Loss Blanket Limit. The limit in Section **A.4.c.** of the Building and Personal Property Coverage Form does not apply to this Additional Coverage.

(4) Pollutant Clean-up and Removal

The final paragraph of Section **A.4.d.** in the Building and Personal Property Coverage Form is replaced by the following:

The most we will pay under this Additional Coverage for each described building is \$100,000 or the Pollutant Clean Up and Removal limit shown in the Declarations for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

(5) Electronic Data

(a) Electronic data are covered for loss or damage by any Covered Cause of Loss. Paragraph **A.4.f.(3)** of the Building and Personal Property Coverage Form is deleted.

(b) Paragraph **A.4.f.(4)** of the Building and Personal Property Coverage Form is replaced by the following:

(4) The most we will pay under this Additional Coverage, Electronic Data is \$5,000 at each described building.

b. The following Additional Coverages are added to your policy:

(1) Accounts Receivable

We will pay for the following after your records of accounts receivable are damaged or destroyed by a Covered Cause of Loss.

(a) 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 those amounts;

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

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

The most we will pay for loss or damage to records of accounts receivable in an occurrence at a covered building is \$5,000.

(2) Expenses to Protect Property

Coverage for the reasonable expenses you incur to protect Covered Property from further damage by a Covered Cause of Loss is subject to the Limit of

Insurance that applies to the damaged or destroyed property. However, if the total amount of loss or damage, including expenses incurred to protect property exceeds the Limit of Insurance, we will pay up to an additional \$5,000 for reasonable expenses you incur to protect Covered Property from further damage.

(3) Claim Preparation Expenses

We will pay up to \$15,000 for the reasonable expenses you necessarily incur with our permission to prepare documentation, including inventories of damaged and undamaged property, that substantiates your claim for loss or damage to Covered Property.

This coverage does not apply to public adjuster fees or to attorney fees or other costs for legal services.

4. Crime Additional Coverages

a. Coverage

We will pay for loss you sustain as a result of an occurrence described below that takes place during the policy period shown in the Declarations.

(1) Employee Theft

(a) We will pay for direct loss or damage to money, securities and other property resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

- 1)** Cause you to sustain loss or damage; and also
- 2)** Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - a)** Any employee, or
 - b)** Any other person or organization.

(b) We will not pay for loss or damage:

- 1)** Resulting from any dishonest or criminal act that you or any of your partners or members commit whether acting alone or in collusion with other persons.
- 2)** Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph **(a)**), managers or directors:
 - a)** Whether acting alone or in collusion with other persons; or
 - b)** While performing services for you or otherwise.
- 3)** The only proof of which as to its existence or amount is
 - a)** An inventory computation; or
 - b)** A profit and loss computation
- 4)** Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, members, managers, officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.

(c) If any loss is covered:

- 1)** Partly by this insurance; and
- 2)** Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

(d) This Additional Coverage is cancelled as to any employee immediately upon discovery by:

- 1) You; or
- 2) Any or your partners, members, managers, officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.

(e) We will only pay for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.

(f) If you (or any predecessor in interest) sustained loss or damage under the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:

- 1) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
- 2) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

(g) The insurance under Paragraph **(f)** above is part of, and not in addition to, the Limit of Insurance that applies to this Additional Coverage and is limited to the lesser of the amount recoverable under:

- 1) This Additional Coverage as of its effective date; or
- 2) The prior insurance had it remained in effect.

(h) With respect to Employee Theft coverage:

1) Employee means:

a) Any natural person:

(i) While in your service or for 30 days after termination of service;

(ii) Who you compensate directly by salary, wages or commissions; and

(iii) Who you have the right to direct and control while performing services for you:

b) Any natural person who is furnished temporarily to you:

(i) To substitute for a permanent employee as defined in Paragraph **a)** above, who is on leave; or

(ii) To meet seasonal or short-term work load conditions:

c) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph **b)** above;

d) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or

- e) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- a) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - b) Any manager, director or trustee except while performing acts coming within the usual duties of an employee.
- 2) Manager means a person serving in a directorial capacity for a limited liability company.
 - 3) Member means an owner of a limited liability company represented by its membership interest who may also serve as a manager.

(2) Forgery or Alteration

- (a) We will pay for loss resulting directly from forgery or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in money that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (b) If you are sued for refusing to pay any instrument covered in Paragraph (a) above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Additional Coverage.

- (c) For the purpose of this Additional Coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.

(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 premises described in the Declarations, or in transit between any of these places, resulting directly from:
 - 1) Theft, meaning any act of stealing;
 - 2) Disappearance; or
 - 3) Destruction.
 - (b) This Additional Coverage is subject to the Limitations and Exclusions in the Causes of Loss Special Form. In addition, 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) You must keep records of all money and securities so we can verify the amount of any loss or damage.
- b. All loss under Paragraphs a.(1), a.(2), and a.(3), whether singly or in combination:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
 is considered one occurrence.
 - c. The most we will pay for all loss resulting from a single occurrence under these Additional Coverages is \$10,000.

5. Coverage Extensions

- a. The Coverage Extensions in the Building and Personal Property Coverage Form and in this endorsement apply to property located in or on buildings described in the Declarations or in the open (or within a vehicle) within 1,500 feet of the described premises.

This paragraph replaces the introduction to Section **A.5.** in the Building and Personal Property Coverage Form.

- b. The following provisions modify the Coverage Extensions in the Building and Personal Property Coverage Form:

(1) Newly Acquired or Constructed Property

(a) Building(s)

- 1) Paragraph **A.5.a.(1)(b)** of the Building and Personal Property Coverage Form is replaced by the following:

(b) Buildings you acquire, and buildings while being built, at locations other than the described premises, intended for:

- 2) The most we will pay for loss or damage under this Extension is \$1,000,000. This replaces the limit displayed in Section **A.5.a.(1)** of the Building and Personal Property Coverage Form.

(b) Your Business Personal Property

The most we will pay for loss or damage to Your Business Personal Property under this Extension is \$500,000. This replaces the limit displayed in Section **A.5.a.(2)** of the Building and Personal Property Coverage Form.

- (c)** Paragraph **A.5.a(3)(b)** of the Building and Personal Property Coverage Form is replaced by the following:

(b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(2) Personal Effects and Property of Others

Paragraph **A.5.b.** of the Building and Personal Property Coverage Form is replaced by the following:

b. Personal effects and Property of Others

You may extend the insurance that applies to Your Business Personal Property to cover:

- (1)** Personal effects owned by you or by your officers, partners or members, your managers or your employees.
- (2)** Personal property of others in your care, custody, or control.

This provision does not apply to tools owned by you or by your officers, partners or members, your managers or your employees.

You may apply up to \$50,000 or the Personal Effects and Property of Others limit shown in the Declarations for each described building.

Our payment for loss or damage under this extension will only be for the account of the owner of the property.

This Coverage Extension does not apply to property excluded by Paragraph **I.A.2.d.** of this Endorsement, or to property covered by Special Transit Coverage, Boat Dealers Coverage or Garagekeepers Coverage in a policy issued by us.

(3) Valuable Papers and Records (Other Than Electronic Data)

- (a)** Valuable papers and records are covered for loss or damage by any Covered Cause of Loss. Paragraph **A.5.c.(2)** of the Building and Personal Property Coverage Form does not apply to this extension.

(b) The Limit of Insurance that applies to Coverage Extension **A.5.c.** is \$50,000 at each described building. This amount replaces the limit shown in Subparagraph (4) of the coverage extension, but all other provisions contained in Subparagraph (4) apply to this policy.

(4) Property Off-premises

The most we will pay for Covered Property and Employee Tools under Coverage Extension **A.5.d.** is \$50,000 or the Property Off-premises limit shown in the Declarations. This limit replaces the limit in Section **A.5.d.(3)** of the Building and Personal Property Coverage Form.

(5) Outdoor Property

Paragraph **A.5.e.** of the Building and Personal Property Coverage Form is replaced by the following:

e. Outdoor Property

(1) You may extend the insurance provided by this Coverage Form to apply to your trees, shrubs, lawns, or growing plants, including debris removal expense, caused by a Covered Cause of Loss at your described premises.

The most we will pay for loss or damage under this Extension is \$10,000 but not more than \$750 for any one tree, shrub, or plant.

(2) You may extend the insurance provided by this Coverage Form to apply to your radio or television antennas (including satellite dishes) and their lead-in wiring, masts, or towers caused by or resulting from a Covered Cause of Loss at your described premises.

(3) You may extend the insurance provided by this Coverage Form to apply to your outdoor fences caused by or resulting from a Covered Cause of Loss at your described premises. But this Extension does not apply to loss caused by:

(a) Freezing or thawing;

(b) Impact of watercraft; or

(c) Pressure or weight of ice or water, even if driven by wind.

The most we will pay in any one occurrence under Extension **e.(2)** and **e.(3)** is an aggregate of \$25,000.

c. The following Coverage Extensions are added to the Building and Personal Property Coverage Form.

Each of these Extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these extensions.

h. Fire Extinguisher Recharge Expense

We will pay your expense to recharge fire extinguishers used in combating a fire at a described building or immediately adjacent premises.

The Building and Personal Property Deductible provisions do not apply to this Coverage Extension.

Coverage provided by this Coverage Extension is subject to the Direct Loss Blanket Limit displayed in the Declarations.

i. Arson Reward

We will pay up to \$5,000, but not more than 25% of the amount we pay for direct loss or damage, for information which leads to an arson conviction in connection with a fire loss or damage covered under this Coverage Part. Regardless of the number of persons involved in providing information, our liability under this extension will not be increased.

j. Business Income and Extra Expense

(1) We will pay for:

(a) The actual loss of "Business Income" and

(b) "Extra Expense"

you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by a direct physical loss or damage to property at a building described in the Declarations, including personal property in the open (or in a vehicle) within 1,500 feet, caused by or resulting from a covered Cause of Loss.

(2) Business Income Loss Determination

The amount of "Business Income" loss will be determined based on:

(a) The Net Income of the business before the direct physical loss or damage occurred;

(b) The likely Net Income of the business if no loss occurred;

(c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

The most we will pay under this Extension is \$10,000.

Insurance under this Extension is excess over any other insurance that applies to Business Income or Extra Expense.

k. Property in Transit

You may extend the insurance provided by this Coverage Form to apply to Covered Property (other than property in the care, custody, or control of your salespersons or property shipped by mail from the time it passes into the custody of the U.S. Postal Service) in transit more than 1,500 feet from the described premises.

Loss or damage must be caused by or result from one of the following:

(1) A Covered Cause of Loss;

(2) Collision, derailment, or overturn of a transporting land conveyance; collision with another "vehicle" or object. This does not include your "vehicle's" contact with the road bed; or

(3) Flood or earthquake.

The most we will pay for loss or damage under this extension is \$50,000 or the Property in Transit limit shown in the Declarations.

l. Key Replacement and Lock Replacement or Repair

You may extend the insurance provided by this policy to apply to the following expense after a covered theft loss:

(1) Replacement of stolen keys; or

(2) Lock repair or replacement.

Coverage under this Coverage Extension is subject to the Direct Loss Blanket Limit.

m. Employee Tools

You may extend the insurance that applies to Your Business Personal Property to cover tools owned by your officers, partners or members, your managers or your employees.

The most we will pay for loss or damage to employee tools in any one occurrence at any building described in the Declarations, or at a newly acquired premises, is \$15,000.

Our payment for loss or damage under this extension will only be for the account of the owner of the property.

n. Excavation Costs

You may extend the insurance provided by this policy to the cost of excavations, grading, filling or backfilling made necessary by direct physical damage to covered property.

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

o. Limited International Coverage for Your Business Personal Property

(1) Coverage

You may extend the insurance that applies to Your Business Personal Property to apply to Your Business Personal Property that is temporarily outside the Coverage Territory if it is:

- (a) In your care, custody or control; or
- (b) In the care, custody or control of your authorized representative, including another insured or your salesperson(s); or
- (c) While located at a business location owned or operated by you or leased by you;
- (d) While at any fair, trade show or exhibition.

(2) This coverage extension does not apply to:

- (a) Business Personal Property exported from the Coverage Territory or held for sale outside the Coverage Territory; or
- (b) Property while in the care, custody or control of a common or contract carrier or bailee for hire, except for property while being handled or stored by the carrier that is at the same time transporting you or your authorized representative.

(3) Limit of Insurance

The most we will pay under this Additional Coverage is \$25,000.

(4) Loss Settlement

The value of property and the cost of its repair or replacement will be determined in United States currency based on values and costs in the area of the described premises where your Business Personal Property is permanently located, and subject to all applicable policy provisions including the Valuation and Loss Payment Conditions.

(5) Legal Action Against Us

Any legal action against us concerning coverage provided under this Coverage Extension must be commenced in a court of law in the United States of America or in any other forum to which we consent.

B. Limits Of Insurance

1. The second paragraph of Section C. of the Building and Personal Property Coverage Form does not apply to your policy.

2. The following paragraph is added to Section C. of the Building and Personal Property Coverage Form:

The most we will pay for loss or damage to fine arts is \$50,000 per building in any one occurrence.

3. Direct Loss Blanket Limit

The Direct Loss Blanket Limit shown in the Declarations applies separately to each building specifically described in the Declarations.

At the time of loss you may apportion the Direct Loss Blanket Limit to any coverage subject to the limit, or to any combination of coverages subject to the limit. The total amount apportioned at a building may not exceed the Direct Loss Blanket Limit.

If a specific Limit of Insurance is shown in the Declarations for a coverage subject to the Direct Loss Blanket Limit, the specific limit applies in addition to the amount apportioned under the Direct Loss Blanket Limit.

Coverages subject to the Direct Loss Blanket Limit are subject to the Deductible that applies to loss or damage in an occurrence under this policy.

4. Business Personal Property - Seasonal Increase

a. The Limits of Insurance for Your Business Personal Property will automatically increase by 50% to provide for seasonal variations.

This increase will apply only if the Limit of Insurance for Your Business Personal Property shown in the Declarations is at least 100% of your average monthly values during the lesser of:

(1) The twelve months immediately preceding the date the loss or damage occurs; and

(2) The period of time you have been in business as of the date the loss or damage occurs.

b. This section does not apply to property covered under a Value Reporting Form or to property subject to a Blanket Limit of Insurance that applies to coverage for a building.

C. Deductible

The following are added to Section D. of the Building and Personal Property Coverage Form.

1. Glass Deductible

Regardless of the amount of the Deductible, the most we will deduct from any loss to covered building glass in any one occurrence is \$250.

This deductible will not increase the deductible shown in the Declarations. This deductible will be used to satisfy the requirements of the deductible shown in the Declarations.

2. Employee Tool Deductible

The deductible that applies to employee tools is \$500.

a. This deductible will be the only deductible that is applied when no property other than employee tools is damaged or destroyed in an occurrence.

b. The Employee Tool Deductible will not increase the deductible shown in the Declarations. This deductible will be used to satisfy the requirements of the deductible shown in the Declarations.

D. Loss Conditions

1. The following provision replaces Section E.7.d. of the Building and Personal Property Coverage Form:

d. Glass

The value of glass is its replacement cost. If safety-glazing material is required by statute the value of glass is the cost of replacement with safety-glazing materials.

2. The following provision is added to Section E.7. **Valuation**, of the Building and Personal Property Coverage Form:

f. Fine Arts

The value of fine arts is the lowest of the following amounts:

- (1) The market value of the property;
- (2) The cost of reasonably restoring the property to its condition immediately before loss; or

(3) The cost of replacing the property with substantially identical property.

g. Tenants' Improvements and Betterments

(1) The value of tenants' improvements and betterments to which you make repairs promptly is replacement cost (without deduction for depreciation) as of the time of loss or damage.

(2) The value of tenants' improvements and betterments to which you do not make repairs promptly is a portion of your original cost. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the date of loss or damage to the expiration of the lease; and

(b) Divide by the number of days from the installation of the improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(3) We will not pay for improvements or betterments if others pay for repair or replacement.

h. Exhibitions and Displays

The value of exhibitions and displays is your cost.

E. Additional Conditions

The following provisions are added to Section F. of the Building and Personal Property Coverage Form.

If this policy provides a separate limit for Your Business Personal Property at each building, you may, at your option, combine the Limits of Insurance for all buildings and the values at all buildings for the purposes of the Additional Condition, **Coinsurance**. This will not change the limit of insurance that applies at any building.

If you do not exercise this option, the Coinsurance Condition will be applied separately at each building.

F. Definitions

The following Definitions are added to Section H. of the Building and Personal Property Coverage Form:

1. "Business Income" means the:

- a. Net Income (Net Income Profit or Loss before income taxes) that would have been earned or incurred; and
 - b. Continuing normal operating expenses, including payroll, incurred.
2. "Extra Expense" means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no physical loss or damage caused by or resulting from a Covered Cause of Loss to:
- a. Avoid or minimize the suspension of business and to continue "operations";
 - (1) At the described premises; or
 - (2) At replacement premises or at temporary locations, including:
 - (a) Relocation expenses; and
 - (b) Costs to equip and operate the replacement or temporary locations.
 - b. Minimize the suspension of business if you cannot continue "operations".
 - c. Pay to:
 - (1) Repair or replace any property; or
 - (2) 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 for Extra Expense
3. "Operations" means your business activities occurring at the described premises.
4. "Period of restoration" means the period that:
- a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the date when the property at the described premises should be repaired, rebuilt, or replaced with reasonable speed and similar quality.
- "Period of restoration" does not include any increased period required due to the enforcement of any law that regulates the construction, use or repair, or requires the tearing down of any property.
- The expiration date of this policy will not cut short the "period of restoration".
5. "Vehicle" means a land motor vehicle, semi-trailer including a mobile home, travel trailer, camper body or other unit designed to be mounted in or on a pickup truck.

II. The following changes apply to the Causes of Loss - Special Form

A. Sewer Back Up or Underground Seepage

We will pay for loss or damage caused by:

- 1. Water that backs up from a sewer or drain; or
- 2. 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.

We will not pay more than \$10,000 or the Sewer Back Up Limit shown in the Declarations for loss or damage by these causes of loss in any one occurrence.

The third and fourth numbered paragraphs of the Water Exclusion in the Causes of Loss Special Form or in an endorsement attached to this policy do not apply to this coverage.

B. Humidity, Temperature, Marring or Scratching

We will pay for personal property damaged by the following:

- 1. Dampness or dryness of atmosphere;
- 2. Changes in or extremes of temperature; or
- 3. Marring or scratching.

We will not pay more than \$25,000 or the Humidity, Temperature, Marring or Scratching limit shown in the Declarations for loss or damage by these causes of loss in any one occurrence.

Exclusion **B.2.d.(7)** of the Causes of Loss Special Form does not apply to this coverage.

C. Property in the Open

We will pay for loss caused by rain, snow, ice or sleet that damages covered personal property in the open.

We will not pay more than \$10,000 or the Property in the Open limit shown in the Declarations for loss or damage by these causes of loss in any one occurrence.

Exclusion **B.2.j** of the Causes of Loss Special Form does not apply to this coverage.

D. Interior Damage

Damage caused by rain, snow, sleet, ice, sand or dust to the interior of any covered building or structure, or to any covered property in a building or structure, is covered.

This coverage deletes limitation **C.1.c.** of the Causes of Loss Special Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEALERS BROADENED ANNUAL BUSINESS INCOME COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS INCOME COVERAGE FORM

1. Coverage

The fifth and sixth paragraphs in Section A. of the Business Income Coverage Form is replaced by the following:

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which Business Income Coverage is indicated in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises includes the area within 1,500 feet of such premises.

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

- a. The portion of the building which you rent, lease or occupy; and
- b. The area within 1,500 feet of the building or within 1,500 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- c. Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

2. Additional Limitation - Interruption of Computer Operations

We will not pay for loss from a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, for more than 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.

This limitation does not apply to Extra Expense.

Paragraphs a. and b. of the **Additional Limitation - Interruption of Computer Operations** are deleted.

The Interruption of Computer Operations Additional Coverage is deleted.

3. Additional Coverages

a. Civil Authority

- (1) The Civil Authority Additional Coverage provided by the Business Income Coverage Form applies when access to the area immediately surrounding the damaged property is prohibited by civil authority as the result of the damage and the described premises are within that area. The provision that limits coverage to described premises that are one mile from the damage does not apply to your policy.

- (2) Coverage for Business Income provided by the Civil Authority Additional Coverage in the Business Income Coverage Form will begin at the time of the first action of civil authority that prohibits access to the described premises and applies for a period of up to 30 days from the date of the action by civil authority unless a longer period is specified in an endorsement included in the policy.

The 72 hour waiting period described in the Civil Authority Additional Coverage in the Business Income Coverage Form does not apply to your policy.

b. Alterations and New Buildings

The distance specified in Section (3) of the **Alterations and New Buildings Additional Coverage** in the Business Income Coverage Form is changed to 1,500 feet.

c. Extended Business Income

The number of days in Paragraph (1)(b)(ii) and in Paragraph (2)(b)(ii) of the Extended Business Income Additional Coverage in the Business Income Coverage Form are replaced by the number of days shown in the Declarations.

d. The following Additional Coverages are added to your policy:

(1) Business Income From Dependent Properties

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 result from a Covered Cause of Loss which causes direct physical loss or damage to property at a contingent business premises.

All exclusions in this policy that apply to coverage for business income apply to this Additional Coverage. Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit.

Contingent business premises means premises operated by others that:

- (a)** Deliver material or services (other than water supply services, wastewater removal services, communications or power supply services) to your, or to others for your account.
- (b)** Accept your products or services.
- (c)** Manufacture products for delivery to your customers under contract of sale.
- (d)** Attract customers to your business.

The "period of restoration" definition in the Business Income Coverage Form applies to loss covered by this Additional Coverage. But the "period of restoration" begins when the damage to the contingent business premises occurs and ends when that damage should be repaired, rebuilt or replaced.

The coverage provided by this Additional Coverage is excess above any insurance provided by a Business Income Dependent Properties endorsement included in this policy.

(2) Business Income From Interruption of Utility Services

We will pay for loss of business income at the premises described in the Declarations if the business income loss is caused by the interruption of utility service to the premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following

property, not on the premises described in the Declarations.

(a) Water Supply Property, meaning the following types of property that supply water to the premises:

- (i)** Pumping stations; and
- (ii)** Water mains.

(b) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facility.

(c) Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services to the premises, such as:

- (i)** Communication transmission lines, including optic transmission lines;
- (ii)** Coaxial cable; and
- (iii)** Microwave relay radios except satellites.

(d) Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the premises;

- (i)** Utility generating plants;
- (ii)** Switching stations;
- (iii)** Substations;
- (iv)** Transformers; and
- (v)** Transmission lines.

As used in this additional coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

Coverage provided under this Additional Coverage is subject to the Indirect Loss Blanket Limit. But we will not pay for any interruption of less than 12 hours. The coverage provided by this Additional Coverage is excess above any insurance provided by an Off Premises Services - Time Element Endorsement contained in this policy.

All exclusions in this policy that apply to coverage for business income apply to this Additional Coverage.

All interruptions arising from a single event are a single occurrence.

The definition of business income in the Business Income Coverage Form applies to this Additional Coverage.

Exclusions **B.1.e.** and **B.4.a.(1)** in the Causes of Loss Special Form do not apply to this Additional Coverage.

(3) Business Income Resulting From Damage to Property Away From Described Premises

We will pay for the actual loss of business income you sustain due to necessary suspension of your "operations" as a result of direct physical loss of or damage to covered property away from described premises by any Covered Cause of Loss.

This coverage is provided only during the "period of restoration".

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit. Coverage under the Indirect Loss Blanket Limit is excess over any insurance provided subject to the Business Income Resulting From Damage to Property Away from Described Premises limit shown in the Declarations.

(4) Claim Preparation Expense

We will pay the reasonable expenses you necessarily incur with our permission to prepare documentation that substantiates your claim for loss under the Business Income Coverage Form.

This coverage does not apply to public adjuster fees or to attorney fees or other costs for legal services.

The most we will pay for claim preparation expenses under this Additional Coverage is \$15,000.

4. Newly Acquired Locations Coverage Extension

- a. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$250,000 at each location. This replaces the limit in **A.6.b** of the Coverage Form.
- b. Paragraph **c.(2)** of the **Newly Acquired Locations Coverage Extension** is replaced by the following:

(2) 180 days expire after you acquire or begin to construct the property; or

5. Limits of Insurance

Section B., Limits of Insurance, in the Business Income Coverage Form is replaced by the following:

B. Limits of Insurance

1. Period of Coverage

We will pay for loss that occurs during the shorter of the following:

- a. The "period of restoration" or;

- b. The period that begins on the first day of the "period of restoration" and continues for the number of months shown in the Declarations.

Coverage under the Extended Business Income Additional Coverage does not extend beyond the end of the period described in Paragraph **b.** of this section.

2. Indirect Loss Blanket Limit

The Indirect Loss Blanket Limit shown in the Declarations applies separately to each building specifically described in the Declarations.

At the time of loss you may apportion the Indirect Loss Blanket Limit to any coverage subject to the limit, or to any combination of coverages subject to the limit. The total amount apportioned at a building may not exceed the Indirect Loss Blanket Limit.

If a specific Limit of Insurance is shown in the Declarations for a coverage subject to the Indirect Loss Blanket Limit, the specific limit applies in addition to any amount apportioned under the Indirect Loss Blanket Limit.

6. Coinsurance

Additional Condition **D., Coinsurance**, of the Business Income Coverage Form does not apply to this policy.

7. Period of Restoration Definition

Paragraph **F.3.** of the Business Income Coverage Form is replaced by the following:

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

- a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
PENNSYLVANIA CHANGES - ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

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 and 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 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.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART

A. For insurance provided under the:

Capital Assets Program (Output Policy) Coverage Part
 Commercial Inland Marine Coverage Part
 Commercial Property Coverage Part
 Crime And Fidelity Coverage Part
 Equipment Breakdown Coverage Part

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

If you die, this Coverage Part 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. For insurance provided under the:

Capital Assets Program (Output Policy) Coverage Part
 Commercial Inland Marine Coverage Part
 Commercial Property Coverage Part
 Farm Coverage Part

The following is added to the **Loss Payment** 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 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.

PENNSYLVANIA NOTICE

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 certificates insuring risks located in Pennsylvania.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART
- STANDARD PROPERTY POLICY

SCHEDULE

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

State(s)	Coverage Form, Coverage Part Or Policy
CA, GA, IL, IA, ME, MO, NJ, NY,	Commercial Property Coverage Part
NC, OR, RI, WA, WV, WI	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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

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

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

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

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

C. Exception Covering Certain Fire Losses

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

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

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

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONDITIONAL EXCLUSION OF TERRORISM
(RELATING TO DISPOSITION OF FEDERAL
TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM
- FARM COVERAGE PART
- STANDARD PROPERTY POLICY

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph D.) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:	
State(s)	Coverage Form, Coverage Part Or Policy
CA, GA, IL, IA, ME, MO, NJ, NY, NC, OR, RI, WA, WV, WI	Commercial Property Coverage Part
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

- a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form, Coverage Part or Policy; or

b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

- (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
- (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
- (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

2. If the provisions of this endorsement become applicable, such provisions:

- a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and
- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.

"Terrorism" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or

5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this Item **C.5.**, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Coverage Part or Policy.

D. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

E. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of **C.1.** or **C.2.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

MULTIPLE LINE OCCURRENCE DEDUCTIBLE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
 COMMERCIAL CRIME COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART

- A.** If an occurrence causes loss or damage insured by more than one policy or coverage part issued by us, only one deductible will apply to the total loss or damage.

We will apply the largest deductible in any policy or coverage part that provides insurance for the loss or damage to the occurrence. The other deductibles that would otherwise apply to the loss or damage will be waived.

- B.** If an occurrence causes loss or damage insured by more than one coverage form in a policy or coverage part issued by us, only one deductible will apply to the total loss or damage.

We will apply the largest deductible in any coverage form that provides insurance for the loss or damage to the occurrence. The other deductibles that would otherwise apply to the loss or damage will be waived.

- C.** We will separately apply the individual deductibles that would otherwise apply to the loss or damage if that would result in a larger total payment to the insured.

If we separately apply the individual deductibles, the provisions in Paragraphs **A.** and **B.** will not apply.

- D.** This endorsement does not apply to loss covered by any of the following:
1. Earthquake
 2. Equipment breakdown coverage

**NOTICE TO POLICYHOLDERS
POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE**

This Notice has been prepared in conjunction with the POTENTIAL implementation of changes related to coverage of terrorism under your policy.

The Terrorism Risk Insurance Act established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. That Program will terminate at the end of December 31, 2020 unless extended by the federal government. Your policy will become effective (or will be renewed) while the federal program is still in effect, but prior to a decision by the federal government on extension of the federal Program. If the federal Program terminates or is extended with certain changes, during the term of your policy, then the treatment of terrorism under your policy will change. This Notice is being provided to you for the purpose of summarizing potential impact on your coverage. The summary is a brief synopsis of significant exclusionary provisions and limitations.

This Notice is NOT a part of your insurance contract. This Notice is designed to alert you to coverage restrictions and to other provisions in certain terrorism endorsement(s) in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

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

YOUR POLICY AT START OF NEW POLICY TERM

Your policy includes one or more of the following Coverage Parts. The changes described in this notice apply to coverage provided by those Coverage Parts:

Commercial Property Coverage Part
Commercial Inland Marine Coverage Part

INFORMATION THAT APPLIES TO PROPERTY IN STATES OTHER THAN FLORIDA AND NEW YORK

Your policy contains an endorsement that excludes "certified acts of terrorism". The exclusion for "certified acts of terrorism" relates to criteria in the Federal Terrorism Risk Insurance Act. With respect to "certified acts of terrorism", policy exclusions (for example the nuclear hazard and war exclusions) and other policy provisions continue to apply.

In certain states, the terrorism exclusion in your policy does not restrict fire coverage because of statutory requirements in those states. Losses attributable to fire following an act of terrorism, if otherwise covered, are covered in the following states:

Commercial Property Coverage Part

California, Georgia, Illinois, Iowa, Maine, Missouri, New Jersey, North Carolina, Oregon, Rhode Island, Washington, West Virginia and Wisconsin.

For the following states, the exception for fire losses applies to "other acts of terrorism" but does not apply to "certified acts of terrorism":
Connecticut, Idaho, Massachusetts, and Virginia

Commercial Inland Marine Coverage Part

California, Maine, Missouri, Oregon, and Wisconsin

INFORMATION THAT APPLIES TO PROPERTY IN FLORIDA AND NEW YORK

Your policy contains an endorsement excluding coverage for "certified acts of terrorism". In certain states, the "certified acts of terrorism" exclusion in your policy does not restrict fire coverage because of statutory requirements in those states. Losses attributable to fire following a "certified act of terrorism", if otherwise covered, are covered in New York for Commercial Property Coverage part.

NOTICE TO POLICYHOLDERS - CONTINUED
POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE

POTENTIAL CHANGE DURING THE TERM OF THE POLICY:

If endorsement IL 09 95 is attached to your policy (or equivalent endorsements: IL 00 35 for Alaska or IL 00 56 for Idaho) - its provisions become applicable to your policy only if certain events (one or more of them) occur. Those events include the following:

- If the federal Terrorism Risk Insurance Program (TRIP) terminates with respect to the type of insurance provided under this policy. (TRIP is scheduled to terminate at the end of December 31, 2020 unless extended by the federal government); or
- If TRIP is extended with changes that redefine terrorism, and we are not required to make such revised coverage available to you; or
- If TRIP is extended with changes that make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other events or occurrences under this policy, and we are not required to make such revised coverage available to you; or
- If TRIP is extended with changes that increase insurers' statutory percentage deductible under TRIP for terrorism losses or decreases the federal government's statutory percentage share in potential terrorism losses, and we are not required to make terrorism coverage available to you. Our deductible for 2020 is 20% of the total of your previous year's direct earned premiums. For 2020, the governments share is 80% of the terrorism losses paid by us above the deductible.

Endorsement IL 09 95 (and equivalent endorsements IL 00 35 and IL 00 56) treats terrorism as follows:

Coverage for loss or damage arising out of a terrorism incident is excluded if:

- The total of all insured damage to all types of property (including business interruption losses, sustained by owners or occupants of damaged property), from the incident exceeds \$25 million. The \$25 million property damage threshold is based on losses sustained by all persons and entities who are affected by an incident of terrorism, and who are insured for the damage, or who would be insured but for a terrorism exclusion; (To determine whether the \$25 million threshold for property damage is exceeded, multiple incidents of terrorism which occur within a seventy-two hour period and appear to be linked together or have a related purpose or common leadership behind them will be considered to be one incident of terrorism), or
- The terrorism event involves nuclear materials or results in nuclear reaction or radiation or radioactive contamination; or
- The terrorism event involves the release of radioactive material and it appears that one purpose of the terrorism was to release such material; or
- The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- The terrorism event involves the release of pathogenic or poisonous biological or chemical materials and it appears that one purpose of the terrorism was to release such materials.

The exception Covering Certain Fire Losses applies only in certain states. If the exception applies in any states under your policy, that is indicated in the Schedule of the terrorism endorsement. If the Exception applies, the Schedule indicates the affected types of insurance in affected states. When the Exception applies, the exclusion of terrorism does not apply to direct loss or damage by fire to Covered Property with respect to affected types of insurance in affected states.

See the definition of terrorism for purposes of the terrorism exclusion.



POLICY NUMBER: A0098742003

COMMERCIAL INLAND MARINE COVERAGE DECLARATION

Sentry Select Insurance Company (A Participating Stock Company) A member of the Sentry Insurance Group 1800 North Point Drive Stevens Point, WI 54481	Producer Richard Rosson 10000258 440-821-8545
---	--

POLICY INFORMATION

First Named Insured: KG Automotive Pittsburgh LLC dba Ken Ganley Toyota
Address: 1110 Clairton Blvd
Pleasant Hills, PA 15236-4560

The Commercial Inland Marine Coverage applies from 02/26/2020 to 02/26/2021 at 12:01 A.M. Standard Time at the First Named Insured's mailing address shown above.

APPLICABLE FORMS AND ENDORSEMENTS

In addition to the common policy forms and endorsements, the following forms and endorsements apply to the Commercial Inland Marine Coverage:

Form/Endorsement Number and Edition Date	Form/Endorsement Title
80 579 P 01 20	Notice To Policyholders Potential Restrictions Of Terrorism Coverage
CM 00 01 09 04	Commercial Inland Marine Conditions
CM 00 66 01 13	Accounts Receivable Coverage Form
CM 70 11 09 00	Coinsurance Changes
CM 70 13 03 97	Liberalization
CM 88 26 10 12	Tools Coverage Form
IL 01 72 09 07	Pennsylvania Changes
IL 02 46 09 07	Pennsylvania Changes - Cancellation And Nonrenewal
IL 09 10 07 02	Pennsylvania Notice
IL 09 35 07 02	Exclusion Of Certain Computer-Related Losses
IL 09 53 01 15	Exclusion Of Certified Acts Of Terrorism
IL 09 95 01 07	Conditional Exclusion Of Terrorism (Relating To Disposition Of Federal Terrorism Risk Insurance Act)
IL 70 26 07 13	Multiple Line Occurrence Deductible

COVERAGES

ACCOUNTS RECEIVABLE COVERAGE

Coverage Applicable At Your Premises

Premises No.	Building No.	Limit of Insurance
1	1	\$ 250,000

POLICY NUMBER: A0098742003

ACCOUNTS RECEIVABLE COVERAGE

Coverage Applicable Away From Your Premises

Limit of insurance for premises not described above or in transit \$ 1,000

Coverage Applicable At All Locations

Maximum limit of insurance applicable for covered property at all locations \$ 250,000

Coinsurance

The coinsurance percentage is 80% unless otherwise stated

Description of Receptacles

Premises No.	Building No.	Manufacturer/Container	Label/Class/Issuer
1	1	diebold	Not Otherwise Classified

TOOLS COVERAGE

Limits of Insurance and Deductibles

Employee Owned Tools

Aggregate Limit for All Employees: \$ 560,000

Deductible: \$ 500

Optional Coverage

Replacement Cost applies

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

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

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

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

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss 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. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

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. 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.

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

9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

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

E. Loss Payment

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

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

3. 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 claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
 - a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

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

G. Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

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

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

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

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

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

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

B. Control Of Property

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

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

C. Legal Action Against Us

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

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

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

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

- 1. During the policy period shown in the Declarations; and
- 2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

- 1. The actual cash value of that property;

- 2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
- 3. The cost of replacing that property with substantially identical property.

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

ACCOUNTS RECEIVABLE 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 E - Definitions.

A. Coverage

1. We will pay:

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

that result from Covered Causes of Loss to your records of accounts receivable.

2. Property Not Covered

Coverage does not apply to:

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

3. Covered Causes Of Loss

Covered Causes of Loss means direct physical loss or damage to your records of accounts receivable except those causes of loss listed in the Exclusions.

4. Additional Coverage - Collapse

The coverage provided under this Additional Coverage - Collapse applies only to an abrupt collapse as described and limited in Paragraphs a. through c.

a. For the purpose of this Additional Coverage - Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

b. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- (1) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- (2) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (3) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation;
- (4) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (a) A cause of loss listed in Paragraph (1) or (2);
 - (b) One or more of the following causes of loss: fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; all only as insured against in this Coverage Form;
 - (c) Weight of people or personal property; or
 - (d) Weight of rain that collects on a roof.

- c. This Additional Coverage - Collapse will not increase the Limits of Insurance provided in this Coverage Form.

5. Coverage Extension

Removal

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

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

This Coverage Extension is included within the Limit of Insurance applicable to the "premises" from which the records of accounts receivable are removed.

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. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

b. 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 direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

c. 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.

Exclusions B.1.a. through B.1.c. apply whether or not the loss event results in widespread damage or affects a substantial area.

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

- a. Delay, loss of use, loss of market or any other consequential loss.

- b. Dishonest or criminal act (including theft) committed by:

- (1) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;

- (2) A manager or a member if you are a limited liability company; or

- (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

- c. 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.

- d. Bookkeeping, accounting or billing errors or omissions.

- e. Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (1) Programming errors or faulty machine instructions;

- (2) Faulty installation or maintenance of data processing equipment or component parts;

- (3) An occurrence that took place more than 100 feet from your "premises"; or
- (4) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 100 feet from your "premises".

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

- f. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- g. Unauthorized instructions to transfer property to any person or to any place.
- h. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- i. Theft by any person (except carriers for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

- 3. We will not pay for loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
- 4. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or

- (4) Maintenance; of part or all of any property wherever located.

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

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

This Exclusion d. does not apply to the extent that coverage is provided under the Additional Coverage - Collapse or to collapse caused by one or more of the following: fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; weight of people or personal property; weight of rain that collects on a roof.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

D. Additional Conditions

1. Determination Of Receivables

General Condition F. Valuation in the Commercial Inland Marine Conditions is replaced by the following:

- a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
 - (1) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (2) 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:

- (1) The amount of the accounts for which there is no loss or damage;
- (2) The amount of the accounts that you are able to reestablish or collect;
- (3) An amount to allow for probable bad debts that you are normally unable to collect; and
- (4) All unearned interest and service charges.

2. Recoveries

The following is added to Loss Condition **H. Recovered Property** in the Commercial Inland Marine Conditions:

You will pay us the amount of all recoveries you receive for loss or damage paid by us. But any recoveries in excess of the amount we have paid belong to you.

3. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. Coverage Territory

We cover records of accounts receivable:

- (1) Within your "premises"; and
- (2) Away from your "premises" while in transit or within premises of others if those premises are located or the transit is within:
 - (a) The United States of America (including its territories and possessions);
 - (b) Puerto Rico; and
 - (c) Canada.

b. Coinsurance

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

We will not pay the full amount of any loss if the value of all accounts receivable, except those in transit, at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for Coverage Applicable At All Locations.

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

- (1) Multiply the value of all accounts receivable, except those in transit, at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance for Coverage Applicable At All Locations by the figure determined in Step (1); and
- (3) Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

This condition will not apply to records of accounts receivable in transit, interest charges, excess collection expenses or expenses to reestablish your records of accounts receivable.

c. Protection Of Records

Whenever you are not open for business, and except while you are actually using the records, you must keep all records of accounts receivable in receptacles that are described in the Declarations.

E. Definitions

"Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.

COINSURANCE CHANGES

This endorsement modifies insurance provided by the following:

ACCOUNTS RECEIVABLE COVERAGE FORM

Additional Condition - Coinsurance is replaced by the following:

COINSURANCE

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

We will not pay the full amount of any loss if the value of accounts receivable, except those in transit, at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

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

- (1) Multiply the value of accounts receivable, except those in transit, at the time of loss by the coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);
- (3) Multiply the total amount of loss by the figure determined in step (2).

We will pay the amount determined in step (3) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

This condition will not apply to records of accounts receivable in transit, interest charges, excess collection expenses or expenses to re-establish your records of accounts receivable.

LIBERALIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE CONDITIONS

The following general condition is added:

If we adopt any revision that would broaden the coverage under this coverage part without additional

premium within 45 days prior to or during the policy period, the **Broadened Coverage** will apply immediately to this coverage part.

TOOLS 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.

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. - Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form, means the following types of property for which a limit is shown in the Declarations:

- a. Tools you own while away from your premises.
- b. Tools that are owned and used by your employees at your premises or in the operation of your business.

2. Property Not Covered

Covered Property does not include:

- a. Contraband or property in the course of illegal transportation or trade.
- b. Tools or equipment that you lease or rent to others.

3. Covered Causes of Loss

Covered Causes of Loss means direct physical loss or damage to Covered Property except those causes of loss listed in the Exclusions.

4. Additional Coverage - Collapse

The coverage provided under this Additional Coverage - Collapse applies only to an abrupt collapse as described and limited in Paragraphs a. through c.

- a. For the purpose of this Additional Coverage - Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

b. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- (1) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- (2) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (3) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- (4) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (a) A cause of loss listed in Paragraph (1) or (2);
 - (b) One or more of the following causes of loss: Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; all only as insured against in this Coverage Form;
 - (c) Weight of people or personal property; or
 - (d) Weight of rain that collects on a roof.

c. This Additional Coverage - Collapse will not increase the Limits of Insurance provided in this Coverage Form.

5. Coverage Extensions

a. Debris Removal

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

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

- (a)** Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
- (b)** Remove debris of property owned by or leased to the landlord of the building where your described buildings are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
- (c)** Remove any property that is Property Not Covered;
- (d)** Remove property of others of a type that would not be Covered Property under this Coverage Form;
- (e)** Remove deposits of mud or earth from the grounds of the described building;
- (f)** Extract "pollutants" from land or water; or
- (g)** Remove, restore or replace polluted land or water.

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

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

(b) Subject to **(a)** above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.

(4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if **(4)(a)** and/or **(4)(b)** applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

Example #1

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

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

Example #2

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$ 40,000
Debris Removal Expense Payable	
Basic Amount	\$ 10,500
Additional Amount	\$ 25,000

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

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum amount payable under Paragraph (4). Thus the total payment for debris removal expense in this example is \$30,500; \$4,500 of the debris removal expense is not covered.

b. Pollutant Clean Up and Removal

We will pay your expenses to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of the pollutants is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs. This Coverage Extension does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

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

The limit for this Coverage Extension is in addition to the Limit of Insurance.

c. Theft Damage to Buildings

(1) We will pay for damage caused directly by theft or attempted theft to:

- (a) That part of any building containing Covered Property; or
- (b) Equipment within the building used to maintain or service the building; only if you own the building or are legally responsible for the damage.

(2) But, we will not pay for damage:

- (a) Caused by fire; or
- (b) To glass or to lettering or art work on glass.

This Coverage Extension is included within the Limit of Insurance applicable to the Covered Property at the building where the damage occurs.

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. Governmental Action

Seizure or destruction of property by order of governmental authority. But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

b. 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 direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

c. 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.

Exclusions **B.1.a.** through **B.1.c.** apply whether or not the loss event results in widespread damage or affects a substantial area.

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

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Unexplained disappearance.
- c. Shortage found upon taking inventory.
- d. Dishonest or criminal act committed by:
 - (1) You, any of your partners, employees directors, trustees, or authorized representatives;
 - (2) A manager or a member if you are a limited liability company;
 - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

e. Processing or work upon the property.

But if processing or work upon the property results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion, if the fire or explosion would be covered under this Coverage Form.

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

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology;

creating a short circuit or other electric disturbance within an article covered under this Coverage Form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes, but is not limited to, electrical current, including arcing; electrical charge produced or conducted by a magnetic or electromagnetic field; pulse of electromagnetic energy; electromagnetic waves or microwaves.

But if artificially generated electrical, magnetic, or electromagnetic energy, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion, if the fire or explosion would be covered under this Coverage Form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

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

h. Unauthorized instructions to transfer property to any person or to any place.

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

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions but this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance; of part or all of any property wherever located.
- d. Collapse including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinking, or expansion as such condition relates to Paragraph (1) or (2).

This Exclusion, d., does not apply to the extent that coverage is provided under the Additional Coverage - Collapse or to collapse caused by one or more of the following: Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; weight of people or personal property; weight of rain that collects on a roof.
- e. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation; mechanical breakdown; insects, vermin, rodents; corrosion, rust, dampness, cold, or heat.

C. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. Additional Conditions

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

Coverage Territory

We will cover property wherever located within:

- 1. The United States of America (including its territories and possessions);
- 2. Puerto Rico; and
- 3. Canada.

F. Definitions

"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.

G. Optional Coverage

The following optional coverage will apply only if an entry is shown in the Declarations.

Replacement Cost

General Condition F., Valuation, in the Commercial Inland Marine Conditions is replaced by the following:

- 1. The most we will pay for loss or damage to Covered Property shall not exceed the smallest of the following:
 - a. The applicable Limit of Insurance;
 - b. The cost to replace the property at the time of loss or damage without deduction for depreciation; or
 - c. The cost to repair at the time of loss or damage.
- 2. We will not pay on a replacement cost basis for any loss or damage:
 - a. Until you repair or replace the lost or damaged property.
 - b. The repairs or replacement are made as soon as reasonably possible after the loss or damage.
- 3. You may make a claim for the loss or damage covered by this insurance on an actual cash value basis if you decide not to repair or replace the damaged property. You may still make a claim for the replacement cost if you elect, within 180 days after the loss or damage, to repair or replace the damaged property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART

A. For insurance provided under the:

Capital Assets Program (Output Policy) Coverage Part
 Commercial Inland Marine Coverage Part
 Commercial Property Coverage Part
 Crime And Fidelity Coverage Part
 Equipment Breakdown Coverage Part

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

If you die, this Coverage Part 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. For insurance provided under the:

Capital Assets Program (Output Policy) Coverage Part
 Commercial Inland Marine Coverage Part
 Commercial Property Coverage Part
 Farm Coverage Part

The following is added to the **Loss Payment** 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 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.

PENNSYLVANIA NOTICE

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 certificates insuring risks located in Pennsylvania.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART
- STANDARD PROPERTY POLICY

SCHEDULE

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

State(s)	Coverage Form, Coverage Part Or Policy
CA, ME, MO, OR, WI	Commercial Inland Marine Coverage
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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

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

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

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

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

C. Exception Covering Certain Fire Losses

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

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

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

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM
- FARM COVERAGE PART
- STANDARD PROPERTY POLICY

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph D.) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:	
State(s)	Coverage Form, Coverage Part Or Policy
CA, ME, MO, OR, WI	Commercial Inland Marine Coverage Part
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

- a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form, Coverage Part or Policy; or

b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

- (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
- (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
- (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

2. If the provisions of this endorsement become applicable, such provisions:

- a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and
- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.

"Terrorism" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or

5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this Item **C.5.**, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Coverage Part or Policy.

D. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

E. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of **C.1.** or **C.2.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

MULTIPLE LINE OCCURRENCE DEDUCTIBLE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
 COMMERCIAL CRIME COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART

- A.** If an occurrence causes loss or damage insured by more than one policy or coverage part issued by us, only one deductible will apply to the total loss or damage.

We will apply the largest deductible in any policy or coverage part that provides insurance for the loss or damage to the occurrence. The other deductibles that would otherwise apply to the loss or damage will be waived.

- B.** If an occurrence causes loss or damage insured by more than one coverage form in a policy or coverage part issued by us, only one deductible will apply to the total loss or damage.

We will apply the largest deductible in any coverage form that provides insurance for the loss or damage to the occurrence. The other deductibles that would otherwise apply to the loss or damage will be waived.

- C.** We will separately apply the individual deductibles that would otherwise apply to the loss or damage if that would result in a larger total payment to the insured.

If we separately apply the individual deductibles, the provisions in Paragraphs **A.** and **B.** will not apply.

- D.** This endorsement does not apply to loss covered by any of the following:
1. Earthquake
 2. Equipment breakdown coverage



POLICY NUMBER: A0098742004

COMMERCIAL CRIME COVERAGE DECLARATIONS

Sentry Select Insurance Company (A Participating Stock Company) A member of the Sentry Insurance Group 1800 North Point Drive Stevens Point, WI 54481	Producer Richard Rosson 10000258 440-821-8545
---	--

POLICY INFORMATION

First Named Insured: KG Automotive Pittsburgh LLC dba Ken Ganley Toyota
Address: 1110 Clairton Blvd
Pleasant Hills, PA 15236-4560

The Commercial Crime Coverage applies from 02/26/2020 to 02/26/2021 at 12:01 A.M. Standard Time at the First Named Insured's mailing address shown above.

APPLICABLE FORMS AND ENDORSEMENTS

In addition to the common policy forms and endorsements, the following forms and endorsements apply to the Commercial Crime Coverage:

Form/Endorsement Number and Edition Date	Form/Endorsement Title
CR 00 21 11 15	Commercial Crime Coverage Form (Loss Sustained Form)
CR 04 17 11 15	Fraudulent Impersonation
IL 01 66 09 07	Pennsylvania Changes - Actual Cash Value
IL 01 72 09 07	Pennsylvania Changes
IL 02 46 09 07	Pennsylvania Changes - Cancellation And Nonrenewal
IL 09 10 07 02	Pennsylvania Notice
IL 09 35 07 02	Exclusion Of Certain Computer-Related Losses
IL 70 26 07 13	Multiple Line Occurrence Deductible

Coverage is written: Primary

INSURING AGREEMENTS, LIMITS OF INSURANCE AND DEDUCTIBLE

Insuring Agreements	Limit of Insurance Per occurrence	Deductible Amount Per occurrence
1. Employee Theft	\$ 100,000	\$ 2,500
2. Forgery or Alteration	\$ 100,000	\$ 2,500
3. Inside the Premises – Theft of Money and Securities	\$ 50,000	\$ 2,500
4. Inside the Premises – Robbery or Safe Burglary of Other Property	Not Covered	
5. Outside the Premises	\$ 50,000	\$ 2,500
6. Computer and Funds Transfer Fraud	\$ 100,000	\$ 2,500
7. Money Orders and Counterfeit Money	\$ 50,000	\$ 2,500

If "Not Covered" is inserted above opposite any specified Insuring Agreement, such Insuring Agreement and other reference thereto in this policy is deleted.

Electronically Filed 04/09/2020 15:48 / CV 20 931791 / Confirmation Nbr. 1982739 / CLSLP

CR 89 01 10 14
A0098742
Sentry Select Insurance Company

POLICY NUMBER: A0098742004

OTHER COVERAGES ADDED BY ENDORSEMENT

Insuring Agreements

**Limit of Insurance
Per occurrence**
\$ 100,000

**Deductible Amount
Per occurrence**
\$ 2,500

Fraudulent Impersonation

Schedule

Fraudulent Impersonation of "Employees" Included
Verification Is Required For All "Transfer Instructions"

Fraudulent Impersonation of "Customers And "Vendors" Included
Verification Is Required For All "Transfer Instructions"

COMMERCIAL CRIME COVERAGE FORM (LOSS SUSTAINED FORM)

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

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

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

A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit Of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in Condition E.1.k. or E.1.l., which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition E.1.g.:

1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

2. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

b. If you are sued for refusing to pay any instrument covered in Paragraph 2.a., on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay for such legal expenses is in addition to the Limit of Insurance applicable to this Insuring Agreement.

3. Inside The Premises - Theft Of Money And Securities

We will pay for:

a. Loss of "money" and "securities" inside the "premises" or "financial institution premises":

(1) Resulting directly from "theft" committed by a person present inside such "premises" or "financial institution premises"; or

(2) Resulting directly from disappearance or destruction.

b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

c. Loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of, or unlawful entry into, those containers.

4. Inside The Premises - Robbery Or Safe Burglary Of Other Property

We will pay for:

a. Loss of or damage to "other property":

(1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or

(2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".

- b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.
- c. Loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

5. Outside The Premises

We will pay for:

- a. Loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- b. Loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

6. Computer And Funds Transfer Fraud

a. We will pay for:

(1) Loss resulting directly from a fraudulent:

- (a) Entry of "electronic data" or "computer program" into; or
- (b) Change of "electronic data" or "computer program" within;

any "computer system" owned, leased or operated by you, provided the fraudulent entry or fraudulent change causes, with regard to Paragraphs **6.a.(1)(a)** and **6.a.(1)(b)**:

- (i) "Money", "securities" or "other property" to be transferred, paid or delivered; or
- (ii) Your account at a "financial institution" to be debited or deleted.

(2) Loss resulting directly from a "fraudulent instruction" directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that account.

- b. As used in Paragraph **6.a.(1)**, fraudulent entry or fraudulent change of "electronic data" or "computer program" shall include such entry or change made by an "employee" acting, in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with you to design, implement or service "computer programs" for a "computer system" covered under this Insuring Agreement.

7. Money Orders And Counterfeit Money

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

- a. Money orders issued by any post office, express company or "financial institution" that are not paid upon presentation; or
- b. "Counterfeit money" that is acquired during the regular course of business.

B. Limit Of Insurance

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit Of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or coverages.

C. Deductible

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

D. Exclusions

1. This insurance does not cover:

a. Acts Committed By You, Your Partners Or Your Members

Loss resulting from "theft" or any other dishonest act committed by:

- (1) You; or
- (2) Any of your partners or "members"; whether acting alone or in collusion with other persons.

b. Acts Committed By Your Employees Learned Of By You Prior To The Policy Period

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee", learned of such "theft" or dishonest act prior to the Policy Period shown in the Declarations.

c. Acts Committed By Your Employees, Managers, Directors, Trustees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise;

except when covered under Insuring Agreement **A.1**.

d. Confidential Or Personal Information

Loss resulting from:

- (1) The disclosure or use of another person's or organization's confidential or personal information; or
- (2) The disclosure of your confidential or personal information. However, this Paragraph **1.d.(2)** does not apply to loss otherwise covered under this insurance that results directly from the use of your confidential or personal information.

For the purposes of this exclusion, confidential or personal information includes, but is not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

e. Data Security Breach

Fees, costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

f. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

g. Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance; or
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

h. Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement **A.2**.

i. Nuclear Hazard

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

j. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

k. Virtual Currency

Loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency.

i. War And Military Action

Loss or damage resulting from:

- (1) War, including undeclared or civil war;

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

2. Insuring Agreement A.1. does not cover:

a. **Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

b. **Trading**

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

c. **Warehouse Receipts**

Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.

3. Insuring Agreements A.3., A.4. and A.5. do not cover:

a. **Accounting Or Arithmetical Errors Or Omissions**

Loss resulting from accounting or arithmetical errors or omissions.

b. **Exchanges Or Purchases**

Loss resulting from the giving or surrendering of property in any exchange or purchase.

c. **Fire**

Loss or damage resulting from fire, however caused, except:

- (1) Loss of or damage to "money" and "securities"; and
- (2) Loss from damage to a safe or vault.

d. **Money Operated Devices**

Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

e. **Motor Vehicles Or Equipment And Accessories**

Loss of or damage to motor vehicles, trailers or semitrailers or equipment and accessories attached to them.

f. **Transfer Or Surrender Of Property**

- (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "financial institution premises":

- (a) On the basis of unauthorized instructions; or

- (b) As a result of a threat including, but not limited to:

- (i) A threat to do bodily harm to any person;

- (ii) A threat to do damage to any property;

- (iii) A threat to introduce a denial of service attack into any "computer system";

- (iv) A threat to introduce a virus or other malicious instruction into any "computer system" which is designed to damage, destroy or corrupt "electronic data" or "computer programs" stored within the "computer system";

- (v) A threat to contaminate, pollute or render substandard your products or goods; or

- (vi) A threat to disseminate, divulge or utilize:

- i. Your confidential information;

- ii. Confidential or personal information of another person or organization; or

- iii. Weaknesses in the source code within any "computer system".

(2) However, this exclusion does not apply under Insuring Agreement **A.5.** to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

(a) Had no knowledge of any threat at the time the conveyance began; or

(b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

g. Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

h. Voluntary Parting Of Title To Or Possession Of Property

Loss resulting from your, or anyone else acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

4. Insuring Agreement A.6. does not cover:

a. Authorized Access

Loss resulting from a fraudulent:

(1) Entry of "electronic data" or "computer program" into; or

(2) Change of "electronic data" or "computer program" within;

any "computer system" owned, leased or operated by you by a person or organization with authorized access to that "computer system", except when covered under Insuring Agreement **A.6.b.**

b. Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

c. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

d. Fraudulent Instructions

Loss resulting from an "employee" or "financial institution" acting upon any instruction to:

(1) Transfer, pay or deliver "money", "securities" or "other property"; or

(2) Debit or delete your account;

which instruction proves to be fraudulent, except when covered under Insuring Agreement **A.6.a.(2)** or **A.6.b.**

e. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(1) An inventory computation; or

(2) A profit and loss computation.

E. Conditions

The following conditions apply in addition to the Common Policy Conditions:

1. Conditions Applicable To All Insuring Agreements

a. Additional Premises Or Employees

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" and "employees" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" or "employees" is not required, and no additional premium will be charged for the remainder of the Policy Period shown in the Declarations.

b. Concealment, Misrepresentation Or Fraud

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other Insured, at any time, intentionally conceals or misrepresents a material fact concerning:

(1) This insurance;

(2) The property covered under this insurance;

(3) Your interest in the property covered under this insurance; or

(4) A claim under this insurance.

c. Consolidation - Merger Or Acquisition

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (1) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this insurance to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but
- (2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

d. Cooperation

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

e. Duties In The Event Of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property", you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement A.1. or A.2.) involves a violation of law, you must also notify the local law enforcement authorities;
- (2) Give us a detailed, sworn proof of loss within 120 days;
- (3) Cooperate with us in the investigation and settlement of any claim;
- (4) Produce for our examination all pertinent records;
- (5) Submit to examination under oath at our request and give us a signed statement of your answers; and

- (6) Secure all of your rights of recovery against any person or organization responsible for the loss and do nothing to impair those rights.

f. Employee Benefit Plans

The "employee benefit plans" shown in the Declarations (hereinafter referred to as Plan) are included as Insureds under Insuring Agreement A.1., subject to the following:

- (1) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator is responsible for selecting a Limit of Insurance for Insuring Agreement A.1. that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required under ERISA as if each Plan were separately insured.
- (2) With respect to loss sustained or "discovered" by any such Plan, Insuring Agreement A.1. is replaced by the following:

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

- (3) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
- (4) If two or more Plans are insured under this insurance, any payment we make for loss:

- (a) Sustained by two or more Plans; or
- (b) Of commingled "money", "securities" or "other property" of two or more Plans;

resulting directly from an "occurrence", will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required under ERISA for each Plan bears to the total of those limits.

- (5) The Deductible Amount applicable to Insuring Agreement A.1. does not apply to loss sustained by any Plan.

g. Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you:

- (1) No later than one year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (2) No later than one year from the date of that cancellation with regard to any "employee benefit plan".

h. Joint Insured

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any Insured, or partner, "member", "manager", officer, director or trustee of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.
- (4) If this insurance or any of its coverages are cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you:
 - (a) No later than one year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
 - (b) No later than one year from the date of that cancellation with regard to any "employee benefit plan".

- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.
- (6) Payment by us to the first Named Insured for loss sustained by any Insured, or payment by us to any "employee benefit plan" for loss sustained by that Plan, shall fully release us on account of such loss.

i. Legal Action Against Us

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within two years from the date you "discovered" the loss.

If any limitation in this condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

j. Liberalization

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this insurance.

k. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate

(1) Loss Sustained Partly During This Insurance And Partly During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

- (a) Partly during the Policy Period shown in the Declarations; and
- (b) Partly during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this insurance became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this policy period. We will then settle the remaining amount of loss that you sustained during the policy period(s) of the prior insurance.

(2) Loss Sustained Entirely During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

- (a) This insurance became effective at the time of cancellation of the prior insurance; and
- (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the policy period(s) of any other prior insurance.

(3) In settling loss under Paragraphs k.(1) and k.(2):

- (a) The most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior insurance issued by us.
- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this insurance. If no loss was sustained under this insurance, we will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this insurance, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

(4) The following examples demonstrate how we will settle losses subject to this condition:

Example Number 1

The Insured sustained a covered loss of \$10,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

Policy A

The current policy. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

Policy B

Issued prior to Policy A. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

Settlement Of Loss

The amount of loss sustained under Policy A is \$2,500 and under Policy B, \$7,500.

The highest single Limit of Insurance applicable to this entire loss is \$50,000 written under Policy A. The Policy A Deductible Amount of \$5,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy A (\$2,500) is settled first. The amount we will pay is nil (\$0.00) because the amount of loss is less than the Deductible Amount (i.e., \$2,500 loss - \$5,000 deductible = \$0.00).
- (b) The remaining amount of loss sustained under Policy B (\$7,500) is settled next. The amount recoverable is \$5,000 after the remaining Deductible Amount from Policy A of \$2,500 is applied to the loss (i.e., \$7,500 loss - \$2,500 deductible = \$5,000).

The most we will pay for this loss is \$5,000.

Example Number 2

The Insured sustained a covered loss of \$250,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

Policy A

The current policy. Written at a Limit of Insurance of \$125,000 and a Deductible Amount of \$10,000.

Policy B

Issued prior to Policy A. Written at a Limit of Insurance of \$150,000 and a Deductible Amount of \$25,000.

Settlement Of Loss

The amount of loss sustained under Policy A is \$175,000 and under Policy B, \$75,000.

The highest single Limit of Insurance applicable to this entire loss is \$150,000 written under Policy B. The Policy A Deductible Amount of \$10,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy A (\$175,000) is settled first. The amount we will pay is the Policy A Limit of \$125,000 because \$175,000 loss - \$10,000 deductible = \$165,000, which is greater than the \$125,000 policy limit.
- (b) The remaining amount of loss sustained under Policy B (\$75,000) is settled next. The amount we will pay is \$25,000 (i.e., \$150,000 Policy B limit - \$125,000 paid under Policy A = \$25,000).

The most we will pay for this loss is \$150,000.

Example Number 3

The Insured sustained a covered loss of \$2,000,000 resulting directly from an "occurrence" taking place during the terms of Policies A, B, C and D.

Policy A

The current policy. Written at a Limit of Insurance of \$1,000,000 and a Deductible Amount of \$100,000.

Policy B

Issued prior to Policy A. Written at a Limit of Insurance of \$750,000 and a Deductible Amount of \$75,000.

Policy C

Issued prior to Policy B. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

Policy D

Issued prior to Policy C. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

Settlement Of Loss

The amount of loss sustained under Policy A is \$350,000; under Policy B, \$250,000; under Policy C, \$600,000; and under Policy D, \$800,000.

The highest single Limit of Insurance applicable to this entire loss is \$1,000,000 written under Policy A. The Policy A Deductible Amount of \$100,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy A (\$350,000) is settled first. The amount we will pay is \$250,000 (i.e., \$350,000 loss - \$100,000 deductible = \$250,000).
- (b) The amount of loss sustained under Policy B (\$250,000) is settled next. The amount we will pay is \$250,000 (no deductible is applied).
- (c) The amount of loss sustained under Policy C (\$600,000) is settled next. The amount we will pay is \$500,000, the policy limit (no deductible is applied).
- (d) We will not make any further payment under Policy D, as the maximum amount payable under the highest single Limit of Insurance applying to the loss of \$1,000,000 under Policy A has been satisfied.

The most we will pay for this loss is \$1,000,000.

I. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate

- (1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the policy period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this insurance, provided:
 - (a) This insurance became effective at the time of cancellation of the prior insurance; and
 - (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

(2) In settling loss subject to this condition:

- (a)** The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior cancelled insurance.
- (b)** We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.

(3) The insurance provided under this condition is subject to the following:

- (a)** If loss covered under this condition is also partially covered under Condition **E.1.k.**, the amount recoverable under this condition is part of, not in addition to, the amount recoverable under Condition **E.1.k.**
- (b)** For loss covered under this condition that is not subject to Paragraph **I.(3)(a)**, the amount recoverable under this condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this insurance and is limited to the lesser of the amount recoverable under:
 - (i)** This insurance as of its effective date; or
 - (ii)** The prior cancelled insurance had it remained in effect.

m. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

(1) Primary Insurance

When this insurance is written as primary insurance, and:

- (a)** You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit Of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.

- (b)** You have other insurance covering the same loss other than that described in Paragraph **m.(1)(a)**, we will only pay for the amount of loss that exceeds:

- (i)** The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or
- (ii)** The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

(2) Excess Insurance

- (a)** When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.
- (b)** However, if loss covered under this insurance is subject to a deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

n. Ownership Of Property; Interests Covered

The property covered under this insurance is limited to property:

- (1)** That you own or lease;
- (2)** That is held by you in any capacity; or
- (3)** For which you are legally liable, provided you were liable for the property prior to the time the loss was sustained.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

o. Records

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

p. Recoveries

- (1) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or by you, shall be applied net of the expense of such recovery:
 - (a) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;
 - (b) Second, to us in satisfaction of amounts paid in settlement of your claim;
 - (c) Third, to you in satisfaction of any Deductible Amount; and
 - (d) Fourth, to you in satisfaction of any loss not covered under this insurance.
- (2) Recoveries do not include any recovery:
 - (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (b) Of original "securities" after duplicates of them have been issued.

q. Territory

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

r. Transfer Of Your Rights Of Recovery Against Others To Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

s. Valuation - Settlement

The value of any loss for purposes of coverage under this insurance shall be determined as follows:

(1) Money

Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:

- (a) At face value in the "money" issued by that country; or

- (b) In the United States of America dollar equivalent, determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".

(2) Securities

Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

- (a) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (i) Market value of the "securities" at the close of business on the day the loss was "discovered"; or
 - (ii) Limit of Insurance applicable to the "securities".

(3) Property Other Than Money And Securities

- (a) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
 - (i) The Limit of Insurance applicable to the lost or damaged property;
 - (ii) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
 - (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

(b) We will not pay on a replacement cost basis for any loss or damage to property covered under Paragraph s.(3)(a):

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

(ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

(c) We will, at your option, pay for loss or damage to such property:

(i) In the "money" of the country in which the loss or damage was sustained; or

(ii) In the United States of America dollar equivalent of the "money" of the country in which the loss or damage was sustained, determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".

(d) Any property that we pay for or replace becomes our property.

2. Conditions Applicable To Insuring Agreement A.1.

a. Termination As To Any Employee

This Insuring Agreement terminates as to any "employee":

(1) As soon as:

(a) You; or

(b) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you; or

(2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

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

b. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in Territory Condition E.1.q. for a period of not more than 90 consecutive days.

3. Conditions Applicable To Insuring Agreement A.2.

a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement A.2.

b. Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c. Proof Of Loss

You must include with your proof of loss any instrument involved in that loss or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition E.1.q. does not apply to Insuring Agreement A.2.

4. Conditions Applicable To Insuring Agreements A.4. And A.5.

a. Armored Motor Vehicle Companies

Under Insuring Agreement A.5., we will only pay for the amount of loss you cannot recover:

(1) Under your contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

b. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to:

(1) Precious metals, precious or semiprecious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or

- (2) Manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

5. Conditions Applicable To Insuring Agreement A.6.

a. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

b. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.q.** does not apply to Insuring Agreement **A.6.**

F. Definitions

1. "Computer program" means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enable the computer or devices to receive, process, store or send "electronic data".
2. "Computer system" means:
 - a. Computers, including Personal Digital Assistants (PDAs) and other transportable or handheld devices, electronic storage devices and related peripheral components;
 - b. Systems and applications software; and
 - c. Related communications networks;by which "electronic data" is collected, transmitted, processed, stored or retrieved.
3. "Counterfeit money" means an imitation of "money" which is intended to deceive and to be taken as genuine.
4. "Custodian" means you, or any of your partners or "members", or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
5. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance.

6. "Electronic data" means information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment

7. "Employee":

a. Means:

(1) Any natural person:

- (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any dishonest act committed by the "employee";
- (b) Whom you compensate directly by salary, wages or commissions; and
- (c) Whom you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

- (a) To substitute for a permanent "employee", as defined in Paragraph **7.a.(1)**, who is on leave; or
- (b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you;

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in Paragraph **7.a.(2);**

(4) Any natural person who is:

- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; or

- (b) Your director or trustee while that person is engaged in handling "money", "securities" or "other property" of any "employee benefit plan";
 - (5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained by you as a consultant while performing services for you;
 - (6) Any natural person who is a guest student or intern pursuing studies or duties;
 - (7) Any natural person employed by an entity merged or consolidated with you prior to the effective date of this insurance; and
 - (8) Any natural person who is your "manager", director or trustee while:
 - (a) Performing acts within the scope of the usual duties of an "employee"; or
 - (b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.
- b. Does not mean:**
Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 7.a.
- 8. "Employee benefit plan"** means any welfare or pension benefit plan shown in the Declarations that you sponsor and that is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.
- 9. "Financial institution"** means:
- a. With regard to Insuring Agreement A.3.:**
 - (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution; or
 - (2) An insurance company.
 - b. With regard to Insuring Agreement A.6.:**
 - (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;
 - (2) An insurance company; or
 - (3) A stock brokerage firm or investment company.
- c. Other than Insuring Agreements A.3. and A.6., any financial institution.**
- 10. "Financial institution premises"** means the interior of that portion of any building occupied by a "financial institution" as defined in Paragraph F.9.a.
- 11. "Forgery"** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
- 12. "Fraudulent instruction"** means:
- a. With regard to Insuring Agreement A.6.a.(2):**
 - (1) A computer, telefacsimile, telephone or other electronic instruction directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", which instruction purports to have been issued by you, but which in fact was fraudulently issued by someone else without your knowledge or consent; or
 - (2) A written instruction (other than those covered under Insuring Agreement A.2.) issued to a "financial institution" directing the "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", through an electronic funds transfer system at specified times or under specified conditions, which instruction purports to have been issued by you, but which in fact was issued, forged or altered by someone else without your knowledge or consent.
 - b. With regard to Insuring Agreement A.6.b.:**
A computer, telefacsimile, telephone or other electronic, written or voice instruction directing an "employee" to enter or change "electronic data" or "computer programs" within a "computer system" covered under the Insuring Agreement, which instruction in fact was fraudulently issued by your computer software contractor.
- 13. "Manager"** means a natural person serving in a directorial capacity for a limited liability company.
- 14. "Member"** means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".

15. "Messenger" means you, or your relative, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".
16. "Money" means:
- a. Currency, coins and bank notes in current use and having a face value;
 - b. Traveler's checks and money orders held for sale to the public; and
 - c. In addition, includes:
 - (1) Under Insuring Agreements **A.1.** and **A.2.**, deposits in your account at any financial institution; and
 - (2) Under Insuring Agreement **A.6.**, deposits in your account at a "financial institution" as defined in Paragraph **F.9.b.**
17. "Occurrence" means:
- a. Under Insuring Agreement **A.1.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.k.** or **E.1.l.**
 - b. Under Insuring Agreement **A.2.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.k.** or **E.1.l.**
 - c. Under all other Insuring Agreements:
 - (1) An individual act or event;
 - (2) The combined total of all separate acts or events whether or not related; or
 - (3) A series of acts or events whether or not related; committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.k.** or **E.1.l.**
18. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include "computer programs", "electronic data" or any property specifically excluded under this insurance.
19. "Premises" means the interior of that portion of any building you occupy in conducting your business.
20. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
- a. Caused or threatened to cause that person bodily harm; or
 - b. Committed an obviously unlawful act witnessed by that person.
21. "Safe burglary" means the unlawful taking of:
- a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 - b. A safe or vault from inside the "premises".
22. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
23. "Theft" means the unlawful taking of property to the deprivation of the Insured.
24. "Transfer account" means an account maintained by you at a "financial institution" from which you can initiate the transfer, payment or delivery of "money" or "securities":
- a. By means of computer, telefacsimile, telephone or other electronic instructions; or
 - b. By means of written instructions (other than those covered under Insuring Agreement **A.2.**) establishing the conditions under which such transfers are to be initiated by such "financial institution" through an electronic funds transfer system.
25. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FRAUDULENT IMPERSONATION

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY

SCHEDULE

Check the appropriate box(es):

I. Fraudulent Impersonation Of "Employees" Included:

Yes No

- A. Verification Is Required For All "Transfer Instructions"
- B. Verification Is Required For All "Transfer Instructions" In Excess Of \$
- C. Verification Of "Transfer Instructions" Is Not Required

II. Fraudulent Impersonation Of "Customers" And "Vendors" Included:

Yes No

- A. Verification Is Required For All "Transfer Instructions"
- B. Verification Is Required For All "Transfer Instructions" In Excess Of \$
- C. Verification Of "Transfer Instructions" Is Not Required

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

With regard to this Fraudulent Impersonation endorsement, the provisions of the Coverage Form or Policy to which this endorsement is attached apply, unless modified by this endorsement.

A. The following Insuring Agreement is added to Section A. Insuring Agreements:

Fraudulent Impersonation

1. "Employees" (if indicated in Section I. of the Schedule)

We will pay for loss resulting directly from your having, in good faith, transferred "money", "securities" or "other property" in reliance upon a "transfer instruction" purportedly issued by:

- a. An "employee", or any of your partners, "members", "managers", officers, directors or trustees, or you (if you are a sole proprietorship) if coverage is written under the Commercial Crime Coverage Form or Commercial Crime Policy; or

b. An "employee", or any of your officials if coverage is written under the Government Crime Coverage Form or Government Crime Policy;

but which "transfer instruction" proves to have been fraudulently issued by an imposter without the knowledge or consent of the person in Paragraph 1.a. or 1.b.

2. "Customers" And "Vendors" (If indicated in Section II. of the Schedule)

We will pay for loss resulting directly from your having, in good faith, transferred "money", "securities" or "other property" in reliance upon a "transfer instruction" purportedly issued by your "customer" or "vendor", but which "transfer instruction" proves to have been fraudulently issued by an imposter without the knowledge or consent of the "customer" or "vendor".

3. Verification

a. The following is a precondition to coverage under this Insuring Agreement:

- (1) If option I.A. and/or II.A. is selected in the Schedule, you shall verify all "transfer instructions"; or
- (2) If option I.B. and/or II.B. is selected in the Schedule, you shall verify all "transfer instructions" in excess of the amount shown;

according to a pre-arranged callback or other established verification procedure before acting upon any such "transfer instruction".

b. If option I.C. and/or II.C. is selected in the Schedule, verification of "transfer instructions" is not a precondition to coverage under this insuring agreement.

B. Under Section E. Conditions:

The **Territory** Condition is replaced by the following:

Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world.

C. The following definitions are added to Section F. Definitions:

1. "Customer" means an entity or individual to whom you sell goods or provide services under a written contract.
2. "Transfer instruction" means an instruction directing you to transfer "money", "securities" or "other property".
3. "Vendor" means an entity or individual from whom you purchase goods or receive services under a written contract.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
PENNSYLVANIA CHANGES - ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

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 and 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 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.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART

A. For insurance provided under the:

Capital Assets Program (Output Policy) Coverage Part
 Commercial Inland Marine Coverage Part
 Commercial Property Coverage Part
 Crime And Fidelity Coverage Part
 Equipment Breakdown Coverage Part

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

If you die, this Coverage Part 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. For insurance provided under the:

Capital Assets Program (Output Policy) Coverage Part
 Commercial Inland Marine Coverage Part
 Commercial Property Coverage Part
 Farm Coverage Part

The following is added to the **Loss Payment** 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 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.

PENNSYLVANIA NOTICE

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 certificates insuring risks located in Pennsylvania.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

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

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

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

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

MULTIPLE LINE OCCURRENCE DEDUCTIBLE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
 COMMERCIAL CRIME COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART

- A.** If an occurrence causes loss or damage insured by more than one policy or coverage part issued by us, only one deductible will apply to the total loss or damage.

We will apply the largest deductible in any policy or coverage part that provides insurance for the loss or damage to the occurrence. The other deductibles that would otherwise apply to the loss or damage will be waived.

- B.** If an occurrence causes loss or damage insured by more than one coverage form in a policy or coverage part issued by us, only one deductible will apply to the total loss or damage.

We will apply the largest deductible in any coverage form that provides insurance for the loss or damage to the occurrence. The other deductibles that would otherwise apply to the loss or damage will be waived.

- C.** We will separately apply the individual deductibles that would otherwise apply to the loss or damage if that would result in a larger total payment to the insured.

If we separately apply the individual deductibles, the provisions in Paragraphs **A.** and **B.** will not apply.

- D.** This endorsement does not apply to loss covered by any of the following:
1. Earthquake
 2. Equipment breakdown coverage

IMPORTANT NOTICE - PENNSYLVANIA INSURANCE FRAUD WARNING

Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and payment of a fine of up to \$15,000.



Employer Resource Center is now available

Thank you for purchasing employment-related practices liability insurance coverage (EPLI) with us. As part of our program, you receive access to the Sentry Insurance Employer Resource Center—a tool to help you proactively manage workforce risks associated with your business.

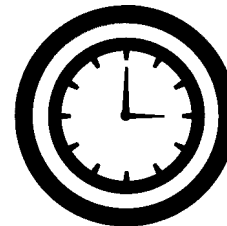
HOW CAN THE EMPLOYER RESOURCE CENTER HELP?

We're able to provide you this policy benefit through our association with Enquiron®. We encourage you to save time and money by registering and taking advantage of:

- Unlimited, direct access to employment law attorneys to receive confidential, documented responses to your organization's specific questions on a variety of topics, including:
 - Wage and hour laws
 - FMLA
 - Retaliation
 - Discrimination
 - Time off (paid or unpaid)
 - Termination and discharge
 - Disability
- Live and recorded webinars—many qualifying for continuing education credits for human resources personnel
- Proactive regulatory updates, tailored to your selected preferences
- An employee handbook building tool to customize your handbook for your business operations and specific state requirements
- Supervisor and employee online training courses, such as sexual harassment prevention



74% of respondents said they saved at least \$1,000, with many indicating the level was higher—up to \$5,000, \$10,000, or more.



68% of users said it saved them more than 10 hours of time annually

To get started, please visit www.sentryinsuranceerc.com. Click New user registration, then follow the prompts to generate your personal access codes.



Property and casualty coverages are underwritten by a member of the Sentry Insurance Group, Stevens Point, WI. For a complete listing of companies, visit sentry.com. Policies, coverages, benefits, and discounts are not available in all states. See policy for complete coverage details.

This document is made available by Sentry Insurance a Mutual Company and its subsidiaries and affiliates (collectively "SIAMCO") with the understanding that SIAMCO is not engaged in the practice of law, nor is it rendering legal advice. The information contained in this document is of a general nature and is not intended to address the circumstances of any particular individual or entity. Legal obligations may vary by state and locality. No one should act on the information contained in this document without legal advice from competent and licensed local professionals. THE INFORMATION CONTAINED IN THIS DOCUMENT IS DISTRIBUTED BY SIAMCO "AS-IS", WITHOUT ANY WARRANTIES. SIAMCO WILL HAVE NO LIABILITY TO ANY PERSON OR ENTITY WITH RESPECT TO ANY LOSSES OR DAMAGES CAUSED, OR ALLEGED TO HAVE BEEN CAUSED, DIRECTLY OR INDIRECTLY BY THIS DOCUMENT, REGARDLESS OF WHETHER SUCH CLAIM IS BASED ON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE AND FOR PROPERTY DAMAGE AND DEATH) OR OTHER GROUNDS.

sentry.com

PENNSYLVANIA IMPORTANT NOTICE REGARDING UNINSURED MOTORISTS (UM) AND UNDERINSURED MOTORISTS (UIM) COVERAGES

We are offering an opportunity for you to review your current coverage to determine if you would like to make changes with regard to Pennsylvania Uninsured and/or Underinsured Motorists Coverage.

Pennsylvania Law requires carriers to offer Uninsured Motorists Coverage and Underinsured Motorists Coverage. If you purchase either or both of these coverages, the law requires that the coverages be SEPARATE and OPTIONAL.

Uninsured Motorists (UM) coverage protects you (or any person qualifying as an insured) against damages you are legally entitled to recover from a driver who does not have insurance coverage.

Underinsured Motorists (UIM) coverage protects you (or any person qualifying as an insured) against damages you are legally entitled to recover from a driver who does not have enough bodily injury liability insurance.

If you have selected Uninsured Motorists and/or Underinsured Motorists coverage, you may have an option to stack the limits of this coverage.

"Stacking" means you can claim a total of the amounts of Uninsured Motorists (or Underinsured Motorists) coverage assigned to each motor vehicle in your policy. That is, the coverage you have on all your motor vehicles is added together (stacked) to total the limit of benefit available to you.

If you select "non-stacked" coverage, the limit shown in the policy Declarations is the most that will be paid for all damages resulting from an accident. You will pay a lower premium if "non-stacked" coverage is selected.

NOTE: Not all policyholders are eligible for "stacked" coverage. If the named insured as designated in the policy Declarations is an individual only the named insured and his/her family members are eligible for "stacked" coverage. Partnerships, limited liability companies, corporations and any other forms of organization are generally NOT eligible for "stacked" coverage. In addition, if your policy insures a fleet of five or more motor vehicles, your policy is not eligible for "stacked" coverage.

Please contact your Sentry Representative if you have any questions or want to change your Uninsured and/or Underinsured Motorists coverage options.



January 10, 2020

NOTICE TO POLICYHOLDERS INSURANCE UPDATE PROGRAM - RENEWAL ACCOUNT

Thank you for once again choosing Sentry Insurance as your insurance provider.

Our records indicate that you have again chosen to use our Insurance Update Program (IUP). As you already know, this program has been established to provide you with an improved method of adjusting your variable premium. This approach eliminates the yearend audit as long as the updates are accurate and received in a timely manner. If you fail to report, Sentry Insurance reserves the right to estimate the values for the reporting period and/or perform an annual audit of your account.

Please note that Workers' Compensation coverage will be adjusted on an annual basis, due to mandated regulations, and is not included in this program.

The IUP will adjust your variable premium on either a monthly (MIU) or quarterly (QIU) basis - based on your selection at policy issuance. The IUP will correlate with your recent month/quarter end inventory values and number of employees. This will be accomplished through timely and accurate reporting from a contact person at your dealership(s). NOTE: Your policy was renewed using the contact person(s) and address(s) we had on the expiring policy. If any of this information has changed, please inform your Account Manager so that we can update your file and mail/email your IUP reporting forms to the correct location.

Assembling the employee count and inventory value information while completing your monthly operating statement(s), can easily help you complete the IUP form. The IUP forms can be mailed to your contact person(s), delivered by your Account Manager, or you can access/submit the reports online through our customer service website, *SentryConnect*. This site is accessed through www.sentry.com or directly by using the web address <https://customer.Sentry.com>.

Once we receive the monthly/quarterly information, we will calculate an adjustment to your premium and fax or email you an Insurance Update Confirmation Notice. This notice is not an invoice or a bill. Any adjustments applicable will be billed separately on your next invoice.

An instruction sheet is provided with each reporting form to assist you in the completion of the form. If you should require further assistance, please contact your Sentry Insurance Account Manager.



POLICY NUMBER: A0098742001

AUTO DEALERS DECLARATIONS

Sentry Select Insurance Company (A Participating Stock Company) A member of the Sentry Insurance Group 1800 North Point Drive Stevens Point, WI 54481	Producer Richard Rosson 10000258 440-821-8545
---	--

ITEM ONE

POLICY INFORMATION

First Named Insured: KG Automotive Pittsburgh LLC dba Ken Ganley Toyota
Address: 1110 Clairton Blvd
Pleasant Hills, PA 15236-4560

The Auto Dealers Coverage applies from 02/26/2020 to 02/26/2021 at 12:01 A.M. Standard Time at the First Named Insured's mailing address shown above.

Additional Interests

For additional interests applicable to a scheduled covered "auto" refer to the Schedule of Covered Autos. For all other additional interests applicable to Section I Covered Auto Coverages, or additional insureds applicable to Section II - General Liability Coverages, refer to the Additional Interests Supplemental Declarations.

APPLICABLE FORMS AND ENDORSEMENTS

In addition to the common policy forms and endorsements, the following forms and endorsements apply to the Auto Dealers Coverage:

Form/Endorsement Number and Edition Date	Form/Endorsement Title
CA 03 02 10 13	Deductible Liability Coverage
CA 21 92 10 13	Pennsylvania Uninsured Motorists Coverage - Nonstacked
CA 21 93 10 13	Pennsylvania Underinsured Motorists Coverage - Nonstacked
CA 22 37 10 13	Pennsylvania Basic First Party Benefit
CA 23 84 10 13	Exclusion Of Terrorism
CA 23 94 10 13	Silica Or Silica-Related Dust Exclusion For Covered Autos Exposure
CA 25 09 10 13	Additional Insured - General Liability Coverages - Owners Of Leased Or Rented Land Or Premises
CA 25 37 10 13	Fungi Or Bacteria Exclusion - General Liability Coverages
CA 25 39 10 13	Silica Or Silica-Related Dust Exclusion For General Liability Coverages
CA 25 63 10 13	Exclusion - Acts, Errors Or Omissions Liability Coverages
CA 81 00 10 13	Auto Dealers Coverage Form
CA 81 02 10 13	Broad Form Work You Performed And Faulty Work Endorsement
CA 81 03 10 13	Deductible - Damage To Auto Resulting From Work Performed
CA 81 10 10 13	Fellow Employee Coverage

**ITEM ONE
APPLICABLE FORMS AND ENDORSEMENTS**

Form/Endorsement Number and Edition Date	Form/Endorsement Title
CA 81 26 05 15	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception
CA 82 57 06 16	Pennsylvania Changes - Auto Dealers Coverage Form
CA 87 10 10 13	Garagekeepers Coverage, Legal Liability Coverage - Natural Disasters, Direct Primary Coverage - Other Than Natural Disasters
CA 87 17 10 13	Vicarious Liability Coverage - Identity Theft
CA 87 38 10 13	Specified Statutes Suit Defense - Additional Insurance
CA 87 40 10 13	Driver Exclusion Endorsement
CA 87 67 10 13	Broad Form Products Coverage
CA 88 03 10 13	Exclusion Of Autos Loaned To Driver Training Programs
CA 88 04 10 13	Additional Insured - Designated Person Or Organization
CA 88 07 10 13	All Terrain Vehicles Limitation - Atv, Snowmobile, Mini-Bike, And Off Road Motorcycle Lease Or Rental Exclusion
CA 88 50 10 13	Operations Defense Costs - Additional Insurance
CA 88 80 10 13	Asbestos Exclusion
CA 88 88 10 13	Employment Practices Endorsement
IL 00 21 09 08	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
IL 01 20 10 13	Pennsylvania Changes - Defense Costs
IL 02 46 09 07	Pennsylvania Changes - Cancellation And Nonrenewal
IL 09 10 07 02	Pennsylvania Notice
IL 70 63 07 16	Cyber Liability And Data Breach Response Coverage
IL 80 04 07 16	Exclusion - Infectious Or Communicable Disease

ITEM TWO

Schedule of Coverages and Covered Autos

This policy provides coverage for both uninsured and underinsured motorists for vehicles garaged in Pennsylvania at limits less than the Auto Liability Limit.

Rental Vehicle Collision Coverage

Subject to the collision deductible stated below, your collision coverage applies to an “auto” rented on a temporary basis.

This policy provides only those coverages, shown below. Each of the “auto”-related coverages will apply only to those “autos” shown as covered “autos”. “Autos” are shown as covered “autos” for a particular coverage by the entry of one or more of the symbols from **Section I - Covered Autos Coverages** of the Auto Dealers Coverage Form next to the “auto”-related coverage.

Coverages	Covered Autos	Limit
Covered Autos Liability	21	\$500,000 Each Accident
General Liability Bodily Injury and Property Damage Liability		\$500,000 Each Accident

ITEM TWO

Schedule of Coverages and Covered Autos

Coverages	Covered Autos	Limit
Damages To Premises Rented To You		\$500,000 Any One Premises
Personal And Advertising Injury Liability		\$500,000 Any One Person or Organization \$2,500,000 General Liability Aggregate \$2,500,000 Products and Work You Performed Aggregate
Locations and Operations Medical Payments		\$5,000 Any One Person
Basic First Party Benefit	25	Separately stated in the Basic First Party Benefits Endorsement
Uninsured Motorists	32	\$35,000
Underinsured Motorists	32	\$35,000
Garagekeepers Comprehensive Coverage	30	Separately stated for each location in ITEM FIVE
Garagekeepers Collision Coverage	30	Separately stated for each location in ITEM FIVE
Physical Damage - Comprehensive Coverage	28	See ITEM SIX and ITEM SEVEN of the Declarations for applicable Limits of Insurance and Deductibles.
Physical Damage – Collision Coverage	28	See ITEM SIX and ITEM SEVEN of the Declarations for applicable Limits of Insurance and Deductibles.

ITEM THREE

Locations where you conduct Auto Dealer Operations

Locations where you conduct "auto dealers operations" include the following premises numbers, from Covered Location/Schedule of Premises found in the Common Declarations: 1

ITEM FOUR

Liability and Personal Injury Protection (or Equivalent or Similar No-Fault) Coverages Premium Rating Basis Designated Individuals and Optional Coverages

Premium Rating Basis for Dealers (service shop employees all use class I-C)

Operator Classification

- Class I-A Proprietors, partners, and officers active in the business, sales people, general or service managers and other employees if provided a furnished "auto".*
- Class I-B Proprietors, partners, and officers active in the business, sales people, general or service managers not provided a furnished "auto" and employees whose principal duty is operation of "autos".*
- Class I-C All other dealership employees not provided a furnished "auto".*

* Part time employees averaging 20 working hours or more per week are counted as 1 employee. Part time employees averaging less than 20 working hours per week are counted as 1/2 of an employee.

- Class II-A Non-employees under age 25 provided a furnished "auto".
- Class II-B Non-employees age 25 and over provided a furnished "auto".
- Contract Drivers Contract drivers or a person:
 - Under contract with the named insured to drive covered "autos" to a location specified by the named insured; or
 - Employed by an organization the named insured hires to provide drivers to drive covered "autos" to a specified location.

Location Number	Class	Factor	Number of Persons	Rating Units
1	I-B	0.70	29.00	20.30
	I-C	0.40	23.00	9.20

LIABILITY OPTIONAL COVERAGES

For information not shown below, refer to the individual endorsements.

Deductible Liability Coverage

Liability Deductible	\$1,000 Per "Accident"
Damage to auto resulting from work you performed	\$1,000 Per "Auto"

Operations Defense – Additional Insurance

Limits of Insurance and Deductible

Aggregate Limit of Insurance – "Operations Suits"	\$	250,000
Each "Operations Suit" Limit of Insurance	\$	100,000
Each "Operations Suit" Deductible	\$	2,500

**ITEM FOUR
LIABILITY OPTIONAL COVERAGES**

Employment Practices Endorsement

Limit of Liability:		
Each Act	\$	500,000
Annual Aggregate	\$	2,500,000
Deductible Percentage		10.0%

Vicarious Liability Coverage - Identity Theft

Each Customer Limit of Insurance – “Vicarious Liability” – Identity Theft	\$	50,000
Aggregate Limit of Insurance - "Vicarious Liability" - Identity Theft	\$	100,000

Specified Statutes Defense

Schedule

Limits of Insurance and Deductible		
Per Suit Limit	\$	100,000
Aggregate Limit of Insurance – All Suits	\$	500,000
Per Suit Deductible	\$	2,500

Broad Form Work You Performed and Faulty Work Endorsement

Deductible – Refer to ITEM FOUR Liability Deductibles – Damages to Auto Resulting From Work You Performed

ITEM FIVE

Garagekeepers Coverage

Location Number	Coverages	Limit Of Insurance And Deductible For Each Location									
1	Comprehensive	\$560,000 Limit of Insurance A deductible applies to each “customer auto” subject to maximum (if applicable) for all loss in any one event. Deductible are shown by cause of loss. <table border="0" style="margin-left: 20px;"> <thead> <tr> <th>Causes of Loss</th> <th>Each Auto</th> <th>Maximum any one event</th> </tr> </thead> <tbody> <tr> <td>Wind or Hail</td> <td>\$ 750</td> <td>No Maximum</td> </tr> <tr> <td>All Other Covered Causes</td> <td>\$ 1,000</td> <td>\$5,000</td> </tr> </tbody> </table>	Causes of Loss	Each Auto	Maximum any one event	Wind or Hail	\$ 750	No Maximum	All Other Covered Causes	\$ 1,000	\$5,000
Causes of Loss	Each Auto	Maximum any one event									
Wind or Hail	\$ 750	No Maximum									
All Other Covered Causes	\$ 1,000	\$5,000									
	Collision	\$560,000 minus \$1,000 deductible for each “customer auto”.									

Special Repair Percentages

Repair Percentages applicable to “customer’s auto”: Parts 100% Labor 100%

Faulty Work Deductible

Each “Customers Auto” \$1,000

Garagekeepers Customers’ Personal Property

The most we will pay for any one “loss” to “customer’s personal property” is: \$7,000

ITEM FIVE

Garagekeepers Coverage

Direct Coverage Options

Primary Coverage On Customers Autos For Loss Other Than Natural Disaster

Garagekeepers Coverage for "customers autos" is changed to apply without regard to your or any other "insured's" legal liability and is primary, except for "loss" caused by windstorm, hail, flood or rising water, earthquake or other earth movement, or other natural disaster, which remains on a legal liability basis.

ITEM SIX

DEALERS PHYSICAL DAMAGE COVERAGE

NO COVERAGE IS PROVIDED.

ITEM SEVEN

Schedule of Covered Autos which are insured on a Specified Car basis

No schedule "autos"

ITEM EIGHT

Schedule of Hired or Borrowed Covered Auto Coverage and Premium

Covered Autos Liability Coverage – Cost Of Hire Basis (Other Than Mobile or Farm Equipment)

Covered Autos Liability Coverage	Estimated Annual Cost of Hire For Each State
---	---

Primary Coverage	If Any
------------------	--------

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

ITEM EIGHT

Schedule of Hired or Borrowed Covered Auto Coverage and Premium

**Physical Damage Coverage – Cost of Hire Rating Basis For All Autos
(Other Than Mobile Equipment or Farm Equipment)**

Coverage	Limit of Insurance	Estimated Annual Cost of Hire Rating Basis For Each State (Excluding Auto Hired With A Driver)
Comprehensive	Actual cash value or cost of repair, whichever is less, minus \$100 deductible for each covered auto, but no deductible applies to loss caused by fire or lightning.	If Any
Collision	Actual cash value or cost of repair, whichever is less, minus \$250 deductible for each covered auto.	If Any

For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of “autos” you don’t own (not including “autos” you borrow or rent from your partners or “employees” or their family members). Cost of hire does not include charges for any “auto” that is leased, hired, rented or borrowed with a driver.



**CYBER LIABILITY AND DATA BREACH RESPONSE
COVERAGE SUPPLEMENTAL DECLARATIONS**

NOTICE

- EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGES PROVIDED UNDER INSURING AGREEMENTS A., C., D., E. AND F. OF THIS COVERAGE PART ARE LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS OR SUITS THAT ARE FIRST MADE AGAINST THE INSUREDS DURING THE CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN. VARIOUS PROVISIONS IN THIS COVERAGE PART RESTRICT COVERAGE. PLEASE READ THE ENTIRE COVERAGE PART CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.
- THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS FOR COVERAGE PROVIDED UNDER INSURING AGREEMENTS A., C., D., E., F., G. AND H. UNDER THIS COVERAGE PART SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE. AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.
- EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGES PROVIDED UNDER INSURING AGREEMENTS B., G. AND H. OF THIS COVERAGE PART PROVIDE FIRST PARTY COVERAGE ON AN INCIDENT DISCOVERED AND REPORTED BASIS. COVERAGE UNDER INSURING AGREEMENTS B., G. AND H. APPLIES ONLY TO INCIDENTS FIRST DISCOVERED BY THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD.

The Cyber Liability and Data Breach Response Coverage applies from 02/26/2020 to 02/26/2021 at 12:01A.M. Standard Time at the First Named Insured's mailing address shown on the Declarations page of this policy.

Cyber Liability and Data Breach Response Retroactive Date	02/26/2018
Cyber Liability Aggregate Limit of Insurance	\$ 1,000,000
Aggregate for all "loss", including defense costs, subject to the following:	
Regulatory Defense and "Penalties" Sublimit	\$ 250,000
"PCI Fines, Expenses and Costs" Sublimit	\$ 50,000
"Cyber Extortion" Sublimit	\$ 150,000
"First Party Data Protection" Sublimit	\$ 150,000
"First Party Network Business Interruption" Sublimit	\$ 50,000
"Period of Restoration" Waiting Period	12 hours
Cyber Liability and Data Breach Response Retention - Each "Claim"	\$ 25,000
Privacy Breach Response Services Limits of Insurance	
The following are separate from and in addition to the Cyber Liability Aggregate Limit of Insurance:	
Number of "Notified Individuals"	75,000
"Computer Expert Services", "Legal Services" and "Public Relations and Crisis Management Expenses" Sublimit	\$ 1,000,000
Privacy Breach Response Services Retention - Each "Claim"	\$ 25,000
"Optional Extension Period" and Premium	
If dates and premium are not shown, the "Optional Extension Period" does not apply.	



POLICY NUMBER: A0098742001

ADDITIONAL INTEREST SUPPLEMENTAL DECLARATIONS

The following additional interests apply to this policy.

Day Motors, LTD
1110 Clairton Blvd
Pleasant Hills, PA 15236-4560

CA 88 04 10 13 Additional Insured - Designated Person Or Organization

KG Real Estate Pittsburgh LLC
1110 Clairton Blvd
Pleasant Hills, PA 15236-4560

CA 25 09 10 13 Additional Insured - General Liability Coverages - Owners Of Leased Or Rented Land Or Premises

Description of Premises Or Land Leased Or Rented To You :

1110 Clairton Blvd
Pleasant Hills, PA 15236-4560

AUTO DEALERS COVERAGE FORM (DEALERSHIPS, GARAGES, AND AUTO SERVICES MARKET COVERAGE)

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

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

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

Section I - Covered Autos Coverages

A. Description Of Covered Auto Designation Symbols

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

SYMBOL	DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS	
21	Any "Auto"	
22	Owned "Autos" Only	Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
23	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
24	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
25	Owned "Autos" Subject To No-Fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.

SYMBOL	DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS	
26	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
27	Specifically Described "Autos"	Only those "autos" described in Item Seven of the Declarations and only for those coverages shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to a power unit described in Item Seven that is provided liability coverage).
28	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
29	Non-owned "Autos" Used In Your "Auto" Dealership Or Garage Business	Any "auto" you do not own, lease, hire, rent or borrow used in connection with your "auto" dealership or garage business described in the Declarations. This includes "autos" owned by your "employees" or partners (if you are a partnership), members (if you are a limited liability company) or members of their households while used in your "auto" dealership or or garage business.
30	"Autos" Left With You For Service, Repair, Storage Or Safe Keeping	Any land motor vehicle, trailer or semitrailer lawfully within your possession for service, repair, storage or safekeeping, with or without the vehicle owner's knowledge or consent. This also includes "autos" left in your care by your "employees" and members of their households who pay for the services performed.
31	Dealers "Autos" Scheduled "Autos" And Other "Autos" Held For Sale (Physical Damage Coverages)	An "auto" you own and hold for sale or use in your dealership or garage business, a "consigned auto", and any auto described in Item Seven of the Declarations for which physical damage coverage is designated to apply.

SYMBOL	DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS	
32	Owned "Autos" Only (Uninsured /Underinsured Motorists	Only those "autos" you own and which are covered for liability under Section I., Coverage D. Covered Autos Liability Coverage. This includes those "autos" you acquire ownership of after the policy begins.

B. Owned Autos You Acquire After The Policy Begins

1. If Symbols **21, 22, 23, 24, 25,** or **26** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol **27** is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers And Temporary Substitute Autos

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

D. Covered Autos Liability Coverage

1. Coverage

We will pay all sums an "insured" legally must pay as damages, including punitive damages where insurable by law, because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered "Autos" Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

2. Who Is An Insured

- a. **The Following Are "Insureds":**
 - (1) You for any covered "auto".

- (2) Your partners (if you are a partnership), members (if you are a limited liability company), shareholders, officers, directors, "employees", "temporary workers" and members of their or your households while using or legally responsible for the use of a covered "auto" you own, hire (a covered "auto" you hire includes an "auto" rented by your "employee" or "temporary worker" for use in your company business) or borrow, if the use is within the scope of your permission.
- (3) Except as provided in **b.(2)** below, your "employee" or "temporary worker" while using a covered "auto" you do not own, hire or borrow in your garage business.
- (4) Individuals, including members of their households, furnished a covered "auto" by you for their regular use, but only if the individual is specifically named in the Declarations and only while using or legally responsible for the use of the furnished covered "auto".
- (5) Any "contract driver".
- (6) Anyone else required by law to be an insured while using a covered "auto" you own, hire or borrow, if the use is within the scope of your permission.
- (7) Anyone liable for the conduct of an "insured" described above, but only to the extent of that liability.

b. The Following Are Not "Insureds":

- (1) The owner or anyone else from whom you hire or borrow a covered "auto". This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.
- (2) Your "employee" or a "temporary worker" if the covered "auto" is owned by that "employee" or "temporary worker" or a member of his or her household.
- (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking, or storing "autos" unless that business is your garage operations.
- (4) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.

3. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

The payments will not reduce the Limit of Insurance.

b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed, we will:

- (1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

4. Exclusions

This insurance does not apply to any of the following:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

b. Contractual

Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:

- (1) Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- (2) That the "insured" would have in the absence of the contract or agreement.

c. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

d. Employee Indemnification And 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 the 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:

- (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 the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of Covered Autos Liability Coverage, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

e. Fellow Employee

"Bodily injury" to:

- (1) Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- (2) The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph (1) above.

f. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving:

- (1) Property owned, rented or occupied by the "insured";
- (2) Property loaned to the "insured";
- (3) Property held for sale or being transported by the "insured"; or
- (4) Property in the "insured's" care, custody or control.

But this exclusion does not apply to liability assumed under a sidetrack agreement.

g. Leased Autos

Any covered "auto" while leased or rented to others. But this exclusion does not apply to:

- (1) A covered "auto" you rent to one of your customers while their "auto" is left with you for service or repair or while the customer is awaiting delivery of an "auto" after signing a written purchase agreement with you.

- (2) You or your "employee" or "temporary worker" while a leased or rented "auto" is in your custody for service, repair, pickup or delivery in the course of your business.

h. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (1) That are, or that are contained in any property that is:
- (a) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
 - (b) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (c) Being stored, disposed of, treated or processed in or upon the covered "auto".
- (2) Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- (3) After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph (1) above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if the "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants".

Paragraphs (2) and (3) above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained

are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

i. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

j. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- (1) Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
- (2) After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

k. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

l. Defective Products

"Property damage" to any of your "products", if caused by a defect existing in your "products" or any part of your "products", at the time it was transferred to another.

m. Work You Performed

"Property damage" to "work you performed" if the "property damage" results from any part of the work itself or from the parts, materials or equipment used in connection with the work.

n. Damage To Impaired Property Or Property Not Physically Damaged

"Property damage" to "impaired property" or other property not physically damaged if caused by:

- (1) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

(2) A defect, deficiency, inadequacy or dangerous condition in your "products" or "work you performed". But this Exclusion, n.(2) does not apply if the loss of use was caused by sudden or accidental damage to or destruction of your "products" or "work you performed" after they have been put to their intended use.

o. Products Recall

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 your "products" or "work you performed" or other property of which they form a part, 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. War

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

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

q. Acts, Errors Or Omissions

"Bodily injury" or "property damage" arising out of "acts, errors or omissions".

5. Limits Of Insurance - Covered Autos Liability

For "accidents" resulting from the ownership, maintenance or use of covered "autos", the following applies:

- a. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" involving a Covered "auto" is the Limit of Insurance for Covered "Autos" Liability Coverage shown in the Declarations.

b. The most we will pay for "Contract Drivers" and anyone required by law to be an "insured" for use of a covered "auto" is that portion of the Limit of Insurance for covered "Autos" Liability Coverage that is needed to comply with the minimum limits provision of the law in the jurisdiction where the "accident" took place. When there is other insurance applicable to the "accident", we will only pay the amount needed to comply with these minimum limits after the other insurance is exhausted.

c. Damages and "covered pollution cost or expense" payable under the Limit of Insurance for Covered "Autos" Liability Coverage are not payable under any applicable Limits of Insurance under **Section II - General Liability Coverages** or **Section III - Acts, Errors Or Omissions Liability Coverage**.

d. All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

e. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Auto Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

E. Garagekeepers Coverage

1. Coverage

a. We will pay all sums the "insured" legally must pay as damages for "loss" to a "customer's auto" or "customers auto" equipment left in the "insured's" care while the "insured" is attending, servicing, repairing, parking or storing it in your "Auto Dealer Operations" under:

(1) Comprehensive Coverage

From any cause except:

- (a) The "customer's auto's" collision with any object; or
- (b) The "customer's auto's" overturn.

(2) Specified Causes Of Loss Coverage

Caused by:

- (a) Fire, lightning or explosion;

- (b) Theft; or
- (c) Mischief or vandalism.

(3) Collision Coverage

Caused by:

- (a) The "customer's auto's" collision with another object; or
- (b) The "customer's auto's" overturn.

We will also pay all sums the "insured" legally must pay as damages for "loss" to "customer's personal property" that is left in the "insured's" care in the course of your garage operations. This coverage is on a legal liability basis only, unless the Declarations indicates that Garagekeepers Coverage is provided on a direct primary or direct excess basis.

- b. We have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for any loss to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends for a coverage when the Limit of Insurance for that coverage has exhausted by payment of judgments or settlements.

2. Who Is An Insured

The following are "insureds" for "loss" to "customer's autos" and "customer's auto" equipment:

- a. You.
- b. Your partners and their spouses, if you are a partnership, but only with respect to the conduct of your "auto dealer operations".
- c. Your members, if you are a limited liability company, but only with respect to the conduct of your "auto dealer operations". Your managers are also "insureds", but only with respect to their duties as your managers.
- d. Your "executive officers" and directors, if you are an organization other than a partnership or limited liability company, but only with respect to their duties as your officers or directors. Your stockholders are also "insureds", but only with respect to their liability as stockholders.

- e. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of employment by you or while performing duties related to the conduct of your "auto dealer operations".

3. Coverage Extensions

The following apply as **Supplementary Payments**. We will pay for the "insured":

- a. All expenses we incur.
- b. The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- c. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- d. All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- e. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

4. Exclusions

- a. This insurance does not apply to any of the following:

(1) Contractual

Liability resulting from any contract or agreement by which the "insured" accepts responsibility for "loss". But this exclusion does not apply to liability for "loss" that the "insured" would have in the absence of the contract or agreement.

(2) Theft

"Loss" due to theft or conversion caused in any way by you, your "employees" or by your shareholders.

(3) Defective Parts

Defective parts or materials.

(4) Faulty Work

Faulty "work you performed".

(5) Theft Of "Customers Personal Property"

"Loss" due to theft of "customers' personal property" if there is no evidence of forced entry into the "customer's auto" or the building in which the "customer's auto" is located. This exclusion does not apply in the case of total theft of the "customer's auto".

(6) Diminution Of Value

"Loss" caused by or resulting from depreciation or "diminution of value".

b. We will not pay for "loss" to any of the following:

- (1) Electronic equipment or devices that reproduce, receive, transmit or display audio, visual, or data content unless permanently installed in a "customer's auto".
- (2) Tapes, records, disks and other media or devices designed to store audio, visual, or data content.
- (3) Sound-receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "customer's auto" manufacturer for the installation of a radio.
- (4) Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.

Provisions 1., 2. and 3. above do not apply to "loss" to "Customers Personal Property".

c. We will not pay for "loss" caused by or resulting from the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

(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.

5. Limit Of Insurance And Deductibles

a. Regardless of the number of "customer's autos", "insureds", premiums paid, claims made or "suits" brought;

(1) The most we will pay for each "loss" at each location is the Garagekeepers Coverage Limit Of Insurance shown in the Declarations for that location.

(2) When you replace a "customer's auto" the most we will pay will be your actual cost, exclusive of your profit, holdback or overhead expenses.

b. Whether or not repairs are made, the most we will pay is a percentage of the customary retail parts and labor charges in your area that it would cost to repair the auto. The applicable parts (including materials) and labor percentages are shown in the Declarations as Special Repair Percentages.

(1) If the repairs are made by someone with whom you have no affiliation or contractual repair arrangement with, and:

(a) the "loss" occurred more than 100 miles from your location;

(b) the "loss" is caused by collision, fire, lightning, theft, mischief or vandalism, and your business does not have the expertise or facilities to perform the repairs and we give you prior approval to have someone else make them; or

(c) The customer will not allow you to perform the repairs;

then the applicable percentage will be no less than 100% of the customary charges for parts, materials, and labor, regardless of the percentage shown in the Declarations.

- (2) If your business is a recreational vehicle dealership of motor homes, travel trailers or camping vehicles the parts percentages shown in the Declarations does not apply and the most we will pay is your actual net cost, plus up to 10% additional payment for shipping and handling.
- c. We will subtract an amount for depreciation as well as the applicable deductible shown in the Declarations. Regardless of the number of "customer's autos" damaged or stolen, the maximum deductible shown in the Declarations is the maximum deductible applicable to all "loss" in any one event. Refer to the Declarations for the applicable deductibles and the causes of loss to which they apply.
- d. The application of a deductible and repair percentages will not reduce the applicable limit of insurance.
- e. Sometimes to settle a claim or "suit", we may pay all or any part of the deductible or repair percentage. If this happens you must reimburse us for the amount we have paid on your behalf.
- f. Regardless of the number of "customer's autos" or customers involved, the most we will pay in any one "loss" for "customers' personal property" will be the Garagekeepers Customers' Personal Property Limit of Insurance shown in the Declarations. The amount paid for any one "loss" will be reduced by the per "auto" Comprehensive or Specified Causes of Loss deductible that applies.

F. Physical Damage Coverage

1. Coverage

- a. We will pay for "loss" to a covered "auto" or its equipment under:
 - (1) **Comprehensive Coverage**
From any cause except:
 - (a) The covered "auto's" collision with another object; or
 - (b) The covered "auto's" overturn.
 - (2) **Specified Causes Of Loss Coverage**
Caused by:
 - (a) Fire, lightning or explosion;
 - (b) Theft;
 - (c) Windstorm, hail or earthquake;

- (d) Flood;
- (e) Mischief or vandalism; or
- (f) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

(3) Collision Coverage

Caused by:

- (a) The covered "auto's" collision with another object; or
- (b) The covered "auto's" overturn.

b. Glass Breakage - Hitting A Bird Or Animal - Falling Objects Or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- (1) Glass breakage;
- (2) "Loss" caused by hitting a bird or animal; and
- (3) "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

c. Coverage Extension - Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver, under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declaration indicates that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicates that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

d. Watercraft Held For Sale Coverage Extension

If your business is shown in the Declarations as a dealership, we will also pay for "loss" to a watercraft that is part of your inventory and held for sale. This extension will only apply if the watercraft is located at a premises, described in the Declarations, for which we have provided physical damage coverage and "loss" caused by:

- (1) Other than collision only if the Declarations indicates that Comprehensive coverage is provided for a covered "auto" for the location at which the watercraft is located;
- (2) Specified Causes of Loss only if the Declarations indicates that Specified Causes of Loss Coverage is provided for a covered "auto" for the location at which the watercraft is located; or
- (3) Collision only if the Declarations indicates that Collision Coverage is provided for your inventory.

The amount we pay under this Coverage Extension is subject to the applicable limit of insurance described in Paragraph 4. **Limits Of Insurance** and the Deductible provision described in Paragraph 5. **Deductible.**

If the **Physical Damage Coverage** is written on a monthly or quarterly reporting basis, include the value of watercraft to which this extension applies in your monthly or quarterly reports of values.

2. Who Is An Insured

The following are "insureds" for covered "autos":

- a. You are an "insured" for covered "autos";
- b. If Hired Auto Physical Damage coverage is provided, your "employee" for an "auto" rented or hired by an "employee" for use in your business.

3. Exclusions

- a. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

(1) Nuclear Hazard

- (a) The explosion of any weapon employing atomic fission or fusion; or
- (b) Nuclear reaction or radiation, or radioactive contamination, however caused.

(2) War Or Military Action

- (a) War, including undeclared or civil war;
 - (b) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (c) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
- b. We will not pay for "loss" to any of the following:
- (1) Any covered "auto" leased or rented to others. This exclusion does not apply to:
 - (a) A covered "auto" rented to one of your customers while their "auto" is left with you for service or repair, or while the customer is awaiting delivery of an "auto" after signing a written purchase agreement with you; or
 - (b) You or your "employee" while a leased or rented "auto" is in your custody for service, repair, pickup or delivery in the course of your business.
 - (2) Any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such contest or activity.
 - (3) Tapes, records, discs and other media or other devices designed to store audio, visual or data content.

- (4) Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.
- (5) Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
- (6) Any accessories used with the electronic equipment described in Paragraph (5) above.

Exclusions **b.(5)** and **b.(6)** do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- (a) Permanently installed in or upon the covered "auto";
- (b) Removable from a housing unit which is permanently installed in or upon the covered "auto";
- (c) An integral part of the same unit housing any electrical equipment described in Paragraphs (a) and (b) above; or
- (d) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

c. False Pretense

We will not pay for "loss" to a covered "auto" caused by or resulting from:

- (1) Someone causing you to voluntarily part with it by trick or scheme or under false pretenses; or
- (2) Your acquiring an "auto" from a seller who did not have legal title.

d. We will not pay for:

- (1) Your expected profit, including loss of market value or resale value.
- (2) "Loss" to any covered "auto" displayed or stored at any location not shown in Item Three of the Declarations if the "loss" occurs more than 60 days after your use of the location begins.
- (3) Under the Specified Causes of Loss Coverage, "loss" to any covered "auto" caused by or resulting from the collision or upset of any vehicle transporting it.

- e. We will not pay for "loss" to a covered "auto" due to "diminution in value".

f. Other Exclusions

We will not pay for "loss" due and confined to:

- (1) Wear and tear, freezing, mechanical or electrical breakdown.
- (2) Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

g. Auto Insured Under A Floorplan

We will not pay for "loss" to any "auto" insured under any floorplan insurance or other physical damage insurance program that is provided by a manufacturer, floor-planer, lender, or other inventory insurance provider.

This exclusion applies without exception to all "loss" caused by hail, flood, or earthquake. However, for other Covered Causes Of "Loss" this exclusion will not apply to the extent of your interest in:

- (1) The value of additional options or other improvements you have made to the covered "auto" if the value of these improvements or options is not covered by the floorplan or other physical damage insurance;
- (2) A "loss" caused by a Covered Cause of "Loss" under this policy but excluded under the floorplan or other physical damage insurance; or
- (3) The amount of a false pretense "loss", if false pretense is covered under this policy, that exceeds the Limit of Insurance for false pretense coverage of the floorplan or other physical damage insurance.

But we will not pay under these exceptions for any part of a "loss" that is subject to any deductible provision of the floorplan or other physical damage insurance.

h. "Diminution Of Value"

We will not pay for "loss" to a covered "auto" due to "diminution of value".

4. Limits Of Insurance

a. The most we will pay for "loss" to any one covered "auto" is the lesser of:

- (1) Your actual cost, exclusive of your profit, holdback or overhead expenses;
- (2) For damage caused by hail the cost of using paintless dent repair in place of traditional repair costs;
- (3) Whether or not repairs are made, the customary retail charges in your area that it would cost to repair the "auto" multiplied by the Dealers Special Repair Percentages shown in the Declarations.

Different repair percentages may apply to parts (including materials) and labor, and to "loss" caused by hail, as shown in the Declarations. Hail damage is subject to the Dealer Special Repair percentages if it is not repairable using paintless dent repair methods. If a specific hail damage repair percentage applies, that percentage applies to all "loss" caused by hail, including wind-driven hail, regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

(a) The applicable repair percentage will be no less than 100% regardless of the percentage shown in the Declarations if repairs are made by someone else with whom you have no affiliation or contractual repair arrangement with, and:

- (i) The "loss" occurs more than 100 miles from your location, or;
- (ii) The "loss" is caused by collision, fire, lightning, theft, mischief, or vandalism and your business does not have the expertise or facilities to perform the repairs and we give you prior approval to have someone else make them.

(b) If your business is a recreational vehicle dealership (other than snowmobiles, motorcycles, ATVS or residence type mobile home trailers):

- (i) The percentage for parts does not apply; and

(ii) For parts, the most we will pay is your actual net cost plus up to 10% additional payment for shipping and handling.

(c) If the "loss" is to an "auto" scheduled in Item Seven of the Declarations, the Auto Dealer Special Repair Percentages will not be applied to your cost of repairing the damaged covered "auto".

- b. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
- c. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.
- d. The following provisions also apply to Item Six - Dealers Physical Damage Coverages in the Declarations:

(1) Regardless of the number of covered "autos" involved in the "loss", the most we will pay for all "loss" at any one location is the amount shown in the Declarations for that location. Regardless of the number of covered "autos" involved in the "loss", the most we will pay for all "loss" at other locations and in transit is the amount shown in the Declarations for "loss" at Other Locations and In Transit.

(2) Quarterly Or Monthly Reporting Premium Basis

If, on the date of your last report, the actual value of the covered "autos" at the covered locations exceeds what you last reported, when a "loss" occurs we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing your total reported value for all covered locations by the total actual value at all covered locations on the date of your last report.

If the first report due is delinquent on the date of "loss", the most we will pay will not exceed 75 percent of the Limit Of Insurance shown in the Declarations for the applicable location.

(3) Nonreporting Premium Basis

If, when "loss" occurs, the total value of your covered "autos" exceeds the Limit Of Insurance shown in the Declarations, we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing the Limit Of Insurance by the total actual value at the time the "loss" occurred.

5. Deductible

- a. For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations prior to the application of the Limit Of Insurance shown in the Declarations.
- b. Regardless of the number of covered "autos" damaged or stolen, the deductible shown in the Declarations as the Maximum Any One Event is the maximum deductible applicable for all "loss" in any one event. If the Declarations states No Maximum, there is no limitation to the deductible amount that applies to all "loss" in any one event.
- c. Refer to the Declarations to determine the deductibles that apply to a covered cause of "loss".
 - (1) If a Fire, Explosion, or Lightning deductible is shown in the Declarations, this deductible applies to all "loss" caused by fire, lightning, or explosion, regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
 - (2) If a Hail deductible is shown in the Declarations, this deductible applies to all "loss" caused by hail, including wind-driven hail, regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

If paintless dent repair is the sole method of repair used for all damage to an "auto" caused by hail, that "auto's" hail deductible will be reduced by \$250.

(3) If a Wind deductible is shown in the Declarations, this deductible applies to all "loss" caused by a windstorm (including collapse of a structure caused by a windstorm), wind-driven objects, or wind-driven debris. However, the Wind deductible does not apply to any "loss" caused by wind-driven hail.

(4) If an "auto's" damage is subject to both Hail and Wind deductibles for the same "loss", only the Hail deductible will apply to that "auto".

(5) If for any one event, some "autos" are subject to Hail deductibles and other autos are subject to Wind deductibles, the maximum deductible for that one event will be subject to the Hail "Maximum For Any One Event". The "Maximum For Any One Event" for Wind will not apply in that case.

d. If a specific "auto" is individually scheduled in the Declarations with its own Comprehensive or Collision deductible amount, that deductible will apply to that "auto" instead of the deductibles listed in the Dealers Physical Damage Limits and Coverages section of the Declarations.

Section II - General Liability Coverages

A. Bodily Injury And Property Damage Liability

1. Coverage

a. We will pay all sums an "insured" legally must pay as damages, including punitive damages where insurable by law, because of "bodily injury" or "property damage" to which this insurance applies caused by an "accident", and resulting from your "Auto Dealer Operations" other than the ownership, maintenance or use of covered "autos".

We have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **F. Limits Of Insurance - General Liability Coverages**; and
- (2) Our duty to defend or settle ends when the applicable limit of insurance has been exhausted by payment of judgments or settlements under Paragraph **A. Bodily Injury And Property Damage Liability** or **B. Personal And Advertising Injury Liability** or medical expenses under Paragraph **C. Locations And Operations Medical Payments**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "accident" occurs in the coverage territory;
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no "insured" listed under Paragraphs **D.1** through **D.4** of the Who Is An Insured provision and no "employee" authorized by you to give or receive notice of an "accident" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed "insured" or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and not, prior to the policy period, known to have occurred by any "insured" listed under Paragraphs **D.1** through **D.4** of the Who Is An Insured provision or any "employee" authorized by you to give or receive notice of an "accident" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any "insured" listed under Paragraphs **D.1** through **D.4** of the Who Is An Insured provision or any "employee" authorized by you to give or receive notice of an "accident" 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.

2. Exclusions

This insurance does not apply to any of the following:

a. Expected Or Intended Injury

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

b. Contractual

Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:

- (1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- (2) That the "insured" would have in the absence of the contract or agreement.

c. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

d. Employee Indemnification And 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 the duties related to the conduct of the "insured's" business;
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.
- (3) 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
- (4) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraph (3)(a), (b) or (c) above are directed.

This exclusion applies:

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

Paragraphs (1) and (2) of this exclusion do not apply to liability assumed by the "insured" under an "insured contract".

e. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses 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) Property loaned to the "insured";
- (3) Property held for sale or being transported by the "insured"; or
- (4) Property in the "insured's" care, custody or control.
- (5) Paragraphs (1), (2) and (4) of this exclusion do not apply to "property damage" to:
 - (a) A premises leased or rented to you, or temporarily occupied by you with the permission of the owner; and
 - (b) The contents of such premises if at the time of the "accident" you have occupied it for a period of seven or fewer consecutive days.
- (c) The above Exceptions (a) and (b) are subject to a separate Limit Of Insurance for Damage To Premises Rented To You, as described in Paragraph F. **Limits Of Insurance - General Liability Coverages.**
- (d) Except for damage arising from fire, explosion, water damage or vehicle damage, our obligation to pay on your behalf for "property damage" under Exceptions (a) or (b) above only applies in excess of a \$5,000 per "accident" deductible, but only if you have occupied the damaged premises for over 7 days. The terms of this insurance, including those with respect to:
 - (i) Our right and duty to defend the "insured" against any "suit" seeking damages to which this insurance applies; and
 - (ii) Your duties in the event of an "accident", claim, or suit

apply irrespective the application of the deductible.

If a higher deductible applies to **Section II - General Liability Coverages**, that higher deductible will apply to the "accident" instead of the \$5,000 deductible.

We may pay any part or all of the 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 amount as has been paid by us.

- (6) This exclusion does not apply to liability assumed under a sidetrack agreement.

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 that is or was at any time owned or occupied by, or rented or loaned to, any "insured";

(b) At or from any premises, site or location that 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) 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:

(i) To test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of the "pollutants"; or

(ii) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such "insured", contractor or subcontractor; or

(d) That 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.

Paragraphs (1)(a) and (1)(c)(ii) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire. A hostile fire means one that becomes uncontrollable, or breaks out from where it was intended to be.

Paragraph (1)(a) does not apply to "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.

Paragraph (1)(c)(ii) does not apply to "bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from material brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor.

(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.

- (3) This exclusion applies whether or not such irritant or contaminant has any function in your business, operations, premises, site or location.

It is understood that this exclusion is not limited to "bodily injury" or "property damage" arising out of environmental damage or pollution of the environment. Rather, it applies to all "bodily injury" or "property damage" within the scope of this exclusion, including, for example only and without limitation, exposure to "pollutants" within a residential or commercial building.

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 "accident" 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 where you conduct "auto dealer operations";
- (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; or

- (3) Liability assumed under any "insured contract" for the ownership, maintenance or use aircraft or watercraft.

h. Defective Products

"Property damage" to any of your "products, if caused by a defect existing in your "products" or any part of your "products", at the time it was transferred to another.

i. Work You Performed

"Property damage" to "work you performed" if the "property damage" results from any part of the work itself or from the parts, materials or equipment used in connection with the work.

j. Damage To Impaired Property Or Property Not Physically Damaged

"Property damage" to "impaired property" or other property not physically damaged if caused by:

- (1) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.
- (2) A defect, deficiency, inadequacy or dangerous condition in your "products" or "work you performed". But this Exclusion, j.(2), does not apply if the loss of use was caused by sudden and accidental damage to or destruction of your "products" or "work you performed" after they have been put to their intended use.

k. Products Recall

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 your "products" or "work you performed" or other property of which they form a part, 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.

l. War

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

- (1) War, including undeclared or civil war;

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

m. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; 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) The Fair Debt Collection Practices Act (FDCPA), including any amendment of or addition to such law; or
- (5) Any federal, state or local statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, FCRA, FDCPA 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.

n. Personal And Advertising Injury

"Bodily Injury" arising out of "personal and advertising injury".

o. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

B. Personal And Advertising Injury Liability

1. Coverage

We will pay all sums the "insured" legally must pay as damages, including punitive damages where insurable by law, because of "personal and advertising injury" to which this insurance applies, caused by an offense arising out of your "Auto Dealer Operations", but only if the offense was committed in the coverage territory during the policy period.

We will have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. But:

- a. The amount we will pay for damages is limited as described in Paragraph **F. Limits Of Insurance - General Liability Coverages**; and
- b. Our duty to defend or settle ends when the applicable limit of insurance has been exhausted by payment of judgments or settlements under Paragraph **A. Bodily Injury And Property Damage Liability** or Paragraph **B. Personal And Advertising Injury Liability** or medical expenses under Paragraph **C. Locations And Operations Medical Payments**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

2. Exclusions

This insurance does not apply to:

- a. **Knowing Violation Of Rights Of Another**
"Personal and advertising injury" caused by or at the direction of the "insured" with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the "insured" with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

Arising out of any dishonest, malicious, fraudulent, criminal or intentional act, however, this exclusion does not apply to you if such act was committed by your "employee" (other than a partner, member, director, or executive officer) without your direction or your knowledge.

e. Contractual

"Personal and advertising injury" for which the "insured" has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the "insured" would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except:

- (1) An implied contract to use another's advertising idea in your "advertisement".
- (2) Any alleged breach of contract in a joint advertising venture.

g. Quality Or Performance Of Goods - Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement". However, this exclusion does not apply to errors in the description of a product, prize or price committed in a joint advertising venture.

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Electronic Chat Rooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chat room or bulletin board the "insured" hosts, owns, or over which the "insured" exercises control.

k. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

l. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion applies whether or not such irritant or contaminant has any function in your business, operations, premises, site or location.

It is understood that this exclusion is not limited to "personal and advertising injury" arising out of environmental damage or pollution of the environment. Rather, it applies to all "personal and advertising injury" within the scope of this exclusion, including, for example only and without limitation, exposure to "pollutants" within a residential or commercial building.

m. Pollution-Related

Any loss, cost or expense arising out of any:

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

This exclusion applies whether or not the "pollutants" have any function in your business, operations, premises, site or location.

It is understood that this exclusion is not limited to loss, cost, or expense arising out of environmental damage or pollution of the environment. Rather, it applies to all loss, cost, or expense within the scope of this exclusion, including, for example only and without limitation, exposure to "pollutants" within a residential or commercial building.

n. War

"Personal and advertising injury" arising, directly or indirectly, out of:

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

o. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; 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) The Fair Debt Collection Practices Act (FDCPA), including any amendment of or addition to such law; or
- (5) Any federal, state, or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003, FCRA or FDCPA 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.

p. Employment-related Practices

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraph (1)(a), (b) or (c) above are directed.

This exclusion applies:

- (a) Whether the injury-causing event described in Paragraph (1)(a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (b) Whether the "insured" may be liable as an employer or in any other capacity; and

(c) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

q. Acts, Errors Or Omissions

"Personal and advertising injury" arising out of "acts, error or omissions"

r. Discrimination Or Harassment Beginning Prior To The Policy Period

"Personal and advertising injury" arising out of discrimination or harassment that includes an act that took place before the beginning of the policy period.

s. Privacy Law Violation

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate any ordinance, statute, or law pertaining to a person's right of privacy (except a common law violation of a person's right to privacy).

t. American With Disabilities Act

"Personal and advertising injury" arising directly or indirectly out of failure to comply with any responsibilities or duties required by the Americans With Disabilities Act, any amendments or additions to such law, and any similar state or local law.

C. Locations And Operations Medical Payments

1. Coverage

- a. We will pay medical expenses as described below to or for each person who sustains "bodily injury" to which this coverage applies, caused by an "accident" and resulting from your "Auto Dealer Operations".
- b. We will pay only those expenses incurred for services rendered within one year from the date of the "accident".
- c. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an "accident";
 - (2) Necessary medical, surgical, diagnostic imaging and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

This insurance does not apply to "bodily injury":

a. Workers' Compensation

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.

b. Insured

To any "insured".

c. Hired Person

To a person hired to do work for or on behalf of any "insured" or a tenant of any "insured".

d. Injury On Normally Occupied Premises

To a person injured on that part of the premises you own or rent that the person normally occupies.

e. Athletic Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Injury Away From Auto Dealer Locations

That is both:

- (1) Sustained by a person away from locations owned, maintained or used for your "Auto Dealer Operations" and
- (2) Arises out of your "products" or "work you performed".

g. Bodily Injury And Property Damage Liability

Excluded under Paragraph A. Bodily Injury And Property Damage Liability.

D. Who Is An Insured

The following are "insureds" for General Liability Coverages:

- 1. You,
- 2. Your partners and their spouses, if you are a partnership, but only with respect to the conduct of your "Auto Dealer Operations".
- 3. Your members, if you are a limited liability company, but only with respect to the conduct of your "Auto Dealer Operations". Your managers are also "insureds", but only with respect to their duties as your managers.

4. Your "executive officers" and directors, if you are an organization other than a partnership or limited liability company, 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.
5. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of employment by you or while performing duties related to the conduct of your "Auto Dealer Operations". However, no "employee" is an "insured" for:
 - a. "Bodily injury" or "personal and advertising injury":
 - (1) To you (if you are an individual), your partners (if you are a partnership), your members (if you are a limited liability company) or a fellow "employee" of the "insured" while in the course of his or her employment or while performing duties related to the conduct of your "Auto Dealer Operations";
 - (2) To the spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph (1) above;
 - (3) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1) or (2) above; or
 - (4) Arising out of his or her providing or failing to provide professional health care services.
 - b. "Property damage" to property:
 - (1) Owned, occupied or used by;
 - (2) 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 any member (if you are a limited liability company).
6. Any "auto" dealership or garage business that is acquired or formed by you (other than a partnership, limited liability company, or Joint Venture) and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that "auto" dealership or garage business. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the "auto" dealership or garage business or the end of the policy period, whichever is earlier; and
 - b. Coverage does not apply to:
 - (1) "Bodily injury" or "property damage" that occurred; or
 - (2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the "auto" dealership or garage business.

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

E. Supplementary Payments

With respect to coverage provided under Bodily Injury And Property Damage Liability and Personal And Advertising Injury Liability Coverages, we will pay for the "insured":

1. All expenses we incur.
2. The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
3. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
4. All court cost taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".

5. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

F. Limits Of Insurance - General Liability Coverages

1. Regardless of the number of "insureds", claims made or "suits" brought or persons or organizations making claims or bringing "suits", the:

a. General Liability Aggregate Limit shown in the Declarations is the most we will pay for the sum of all:

(1) Damages under Paragraph **A. Bodily Injury And Property Damage Liability**, except damages because of "bodily injury" and "property damage" that are both:

(a) Sustained away from locations owned, maintained or used for your "Auto Dealer Operations"; and

(b) Arising out of your "products" or "work you performed";

(2) Damages under Paragraph **B. Personal And Advertising Injury Liability**; and

(3) Medical expenses under Paragraph **C. Locations And Operations Medical Payments**.

b. The Products And Work You Performed Aggregate Liability Limit is the most we will pay under Paragraph **A. Bodily Injury And Property Damage Liability** for "bodily injury" and "property damage" that are both:

(1) Sustained away from locations owned, maintained or used for your "Auto Dealer Operations", and

(2) Arising out of your "products" or "work you performed".

2. Subject to Paragraph 1.a. above, the Personal And Advertising Injury Liability Limit is the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization under Paragraph **B. Personal And Advertising Injury Liability**.

3. Subject to Paragraph 1.a. above, the Locations And Operations Medical Payments Limit is the most we will pay for all medical expenses because of "bodily injury" for each person injured in any one "accident" under Paragraph **C. Locations And Operations Medical Payments**.

4. Subject to Paragraph 1.a. or 1.b. above, whichever applies, the General Liability Bodily Injury And Property Damage Liability Each "Accident" Limit shown in the Declarations is the most we will pay for the sum of all damages under Paragraph **A. Bodily Injury And Property Damage Liability** resulting from any one "accident".

Damages payable under any applicable **Limits of Insurance for General Liability Coverages** are not payable under **Section I - Covered Autos Coverages** or **Section III - Acts, Errors Or Omissions Liability Coverage**.

5. Subject to Paragraph 4. above, the Damage To Premises Rented To You Limit is the most we will pay under Paragraph **A. Bodily Injury And Property Damage Liability** for damages because of "property damage" for any one "accident" to a premises, while leased or rented to you, or temporarily occupied by you with permission of the owner.

6. The Aggregate Limits of Insurance for General Liability Coverages 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 Aggregate Limits of Insurance - General Liability Coverages.

7. We will deduct \$500 from the damages in any "accident" resulting from "property damage" to an "auto" as a result of "work you performed" on that "auto". No other deductible applies to that "auto's" "property damage".

When other damages resulting from the same "accident" are subject to a deductible, the maximum amount subject to all deductibles under **Section II - Liability Coverage** for that "accident" will be equal to the largest applicable deductible.

Section III - Acts, Errors Or Omissions Liability Coverages

A. Coverage

We will pay all sums that an "insured" legally must pay as damages because of any "act, error or omission" of the "insured" to which this insurance applies and arising out of the conduct of your "Auto Dealer Operations", but only if the "act, error or omission" is committed in the coverage territory during the policy period.

We will have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for "acts, errors or omissions" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. But:

1. The amount we will pay for damages is limited as described in Paragraph **E. Limits Of Insurance And Deductible**; and
2. Our duty to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

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

B. Exclusions

This insurance does not apply to:

1. Criminal, Fraudulent, Malicious, Dishonest Or Intentional Acts

Damages arising out of any criminal, fraudulent, malicious, dishonest or intentional "act, error or omission" by an "insured", including the willful or reckless violation of any law or regulation. However, this exclusion does not apply to any "insured" who did not:

- a. Personally commit;
- b. Personally participate in;
- c. Personally acquiesce to; or
- d. Remain passive after having knowledge of; any such "act, error or omission".

2. Bodily Injury, Property Damage Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

3. Profit Gain

Damages based upon, attributable to or arising in fact out of the gaining of any profit, remuneration or advantage to which any "insured" was not entitled.

4. Contractual

Liability for which the "insured" has assumed in a contract or agreement. This exclusion does not apply to liability for damages that the "insured" would have in the absence of the contract or agreement.

5. Noncompensatory Damages

Criminal fines or penalties imposed by law or regulation, punitive or exemplary damages or demands for injunctive or equitable relief.

6. Quality Or Performance Of Goods - Failure To Conform To Statements

Damages arising out of the failure of goods, products or services to conform with any statement of quality or performance.

7. Recording And Distribution Of Material Or Information In Violation Of Law

Damages arising directly or indirectly out of any "act, error or omission" that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- c. 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
- d. The Fair Debt Collection Practices Act (FDCPA), including any amendment of or addition to such law; or
- e. Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

8. Discrimination

Damages arising directly or indirectly out of any "act, error or omission" that violates a person's civil rights with respect to such person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by an federal, state, or local statutes, rules or regulations.

9. Bankruptcy Or Insolvency

Damages arising out of the:

- a. Bankruptcy;
- b. Financial inability to pay;
- c. Insolvency;
- d. Liquidation; or
- e. Receivership;

of any insurance company, reinsurer or other risk-assuming entity in which the "insured" has placed or obtained insurance for a customer.

However, this exclusion does not apply if the insurance company, reinsurer or other risk-assuming entity was rated "B+" or higher by A.M. Best Company, Inc. at the time the insurance was placed or obtained.

C. Who Is An Insured

The following are "insureds" for "acts, errors or omissions":

- 1. You.
- 2. Your partners and their spouses, if you are a partnership, but only with respect to the conduct of your "Auto Dealer Operations".
- 3. Your members, if you are a limited liability company, but only with respect to the conduct of your "Auto Dealer Operations". Your managers are also "insureds", but only with respect to their duties as your managers.
- 4. Your "executive officers" and directors, if you are an organization other than a partnership or limited liability company, 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.

5. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of employment by you or while performing duties related to the conduct of your "Auto Dealer Operations".

6. Any "auto" dealership or garage business that is acquired or formed by you, other than a partnership or limited liability company, and over which you maintain ownership of majority interest, will qualify as a Named Insured if there is no other similar insurance available to that "auto" dealership or garage business. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the "auto" dealership or garage business or the end of the policy period, whichever is earlier; and
- b. Coverage does not apply to "acts, errors or omissions" that were committed before you acquired or formed the "auto" dealership or garage business.

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

D. Supplementary Payments

With respect to "Acts, Errors Or Omissions" Liability Coverage, we will pay for the "insured":

- 1. All expenses we incur.
- 2. The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- 3. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- 4. All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".

5. All interest on full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

E. Limit Of Insurance And Deductible

1. Regardless of the number of:
 - a. "Insureds";
 - b. Claims made or "suits" brought;
 - c. Persons or organizations making claims or bringing "suits"; or
 - d. "Acts, errors or omissions",the "Acts, Errors Or Omissions" Liability Aggregate Limit shown in the Declarations is the most we will pay for all damages because of "acts, errors or omissions" under **Section III**.
2. Damages payable under the Limits of Insurance for "Acts, Errors Or Omissions" Liability Coverage are not payable under any applicable Limits of Insurance under **Section I - Covered Autos Coverages** or **Section II - General Liability Coverages**.
3. Our obligation to pay damages applies only to the amount of damages in excess of any deductible amount stated in the Declarations as applicable to this coverage. The Limits of Insurance for "Acts, Errors Or Omissions" Liability Coverage will not be reduced by the amount of this deductible.

To settle a claim or "suit", we may pay all or any part of the deductible. If this happens, you must reimburse us for the deductible or that part of the deductible that we paid.
4. The "Acts, Errors Or Omissions" Liability Aggregate Limit applies 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 "Acts, Errors Or Omissions" Liability Aggregate Limit.

Section IV - Conditions

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire.

The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

2. Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit", offense, "loss" or "act, error or omission", you must give us or our authorized representative prompt notice of the "accident", offense, "loss" or "act, error or omission". Include:
 - (1) How, when and where the "accident", offense, "loss" or "act, error or omission" occurred;
 - (2) What the "act, error or omission" was;
 - (3) The "insured's" name and address;
 - (4) To the extent possible, the names and addresses of:
 - (a) Any injured persons and witnesses; or
 - (b) Anyone who may suffer damages as a result of an "act, error or omission".

b. Additionally, you and any other involved "insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claims or "suit".
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
- (4) Authorize us to obtain medical records or other pertinent information.
- (5) Submit to examination at our expense, by physicians of our choice, as often as we reasonably require.
- (6) 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 an "act, error or omission" to which this insurance may also apply.

c. If there is "loss" to a covered "auto" or its equipment, you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under any liability coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment - Physical Damage Coverages

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

This condition does not apply to damages under Paragraph C. **Locations And Operations Medical Payments Coverage of Section II - General Liability Coverages.**

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation Or Fraud

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

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

a. For any covered "auto" you own, this Coverage Form provides primary insurance, except it provides excess insurance while the covered "auto" is in the care, custody, or control of any person or organization other than you, your partners (if you are a partnership), members (if you are a limited liability company), stockholders, officers, directors, "employees", "temporary workers", individuals furnished a covered "auto" and named in the Declarations, or members of their and your household.

For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own; or
- (2) Primary while it is connected to covered "auto" you own.

b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow, including an "auto" rented or hired by your "employee" for use in your "Auto Dealer Operations", is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

c. Regardless of the provision of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".

d. For General Liability and "Acts, Errors Or Omissions" Liability Coverages, this insurance is primary except when e. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in f. below.

e. This Coverage Form is excess over any other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (2) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;
- (3) If the "loss" arises out of the maintenance or use of aircraft or watercraft to the extent not subject to Exclusion g. of Paragraph A. Bodily Injury And Property Damage Liability of **Section II - General Liability Coverages**;
- (4) That is specifically written to apply as primary insurance for liability arising out of your "acts, error or omissions".

f. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover:

- a. "Bodily injury", "property damage" and "losses" occurring;
- b. "Personal and advertising injury" offenses and "acts, errors or omissions" committed; and
- c. "Covered pollution cost or expense" arising out of "accidents" occurring

during the policy period shown in the Declarations and within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if:
 - (a) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less;
 - (b) The "bodily injury", "property damage" or "personal and advertising injury" is caused by an "insured" who permanently lives within the United States of America, its territories or possessions, Puerto Rico or Canada while the "insured" is temporarily outside of one of those places;
 - (c) The "personal and advertising injury" offense takes place through the Internet or similar electronic means of communication; or
 - (d) The "bodily injury" or "property damage" is caused by one of your "products" which is sold for use in the United States of America, its territories or possessions, Puerto Rico or Canada;

provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to.

However, the coverage territory described in Paragraph (5) above does not apply to "work you performed".

We also cover "bodily injury", "property damage", "covered pollution cost or expense" and "losses" while a covered "auto" is being transported between the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada.

8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

Section V - Definitions

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Act, error or omission" means any actual or alleged negligent act, error or omission committed by an "insured" in the course of your "Auto Dealer Operations" arising:
 - 1. Out of an "insured's" failure to comply with any local, state or federal law or regulation concerning the disclosure of credit or lease terms to consumers in connection with the sale or lease of an "auto" in your "Auto Dealer Operations", including, but not limited to, the Truth In Lending and Consumer Leasing Acts;

2. Out of an "insured's" failure to comply with any local, state or federal law or regulation concerning the disclosure of accurate odometer mileage to consumers in connection with the sale or lease of an "auto" in your "Auto Dealer Operations";
 3. In an "insured's" capacity as an insurance agent or broker in the offering, placement or maintenance of any "auto" physical damage, auto loan/lease gap, credit life or credit disability insurance sold in connection with the sale or lease of an "auto" in your "Auto Dealer Operations", but only if the "insured" holds a valid insurance agent or broker license at the time the "act, error or omission" is committed, in the jurisdiction in which your "Auto Dealer Operations" is located, if required to do so by such jurisdiction; and
 4. Out of a defect in title in connection with the sale or lease of an "auto" in your "Auto Dealer Operations".
- C. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
1. Notices that are published include materials placed on the Internet or on similar electronic means of communication; and
 2. 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.
- D. "Auto" means a land motor vehicle, "trailer" or semitrailer.
- E. "Auto Dealer Operations" means the ownership, maintenance or use of locations for an "auto" dealership or garage business and that portion of the roads or other accesses that adjoin these locations. "Auto Dealer Operations" also include all operations necessary or incidental to an "auto" dealership or garage business.
- F. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.
- G. "Consigned auto" means an "auto" you do not own in your, care, custody or control and held for sale under a consignment agreement.
- H. "Contract driver" means:
- Any person or organization using a covered "auto" within the scope of your permission and while under contract with you to drive a covered "auto" to a location you specify; and

any person or organization hired by you to provide drivers who, with your permission and while under contract to you, will transport a covered "auto" to a location you specify.

- I. "Covered pollution cost or expense" means any cost or expense arising out of:

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

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured";
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto"; or
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if the "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

J. "Customer's auto" means a land motor vehicle, "trailer" or semitrailer lawfully within your possession for service, repair, storage or safekeeping, with or without the vehicle owner's knowledge or consent. A "customer's auto" also includes any such vehicle left in your care by your "employees" and members of their households who pay for services performed.

K. "Customers' personal property" means personal property left in a "customer's auto" except:

1. Money which includes:
 - a. Currency, coins, and bank notes in current use having face value;
 - b. Travelers checks, register checks, and money orders held for sale to the public.
2. Securities, which means any negotiable and non-negotiable instruments or contracts representing either money or other property. Securities also includes evidence of debt issued in connection with credit or charge cards.
3. Jewelry; and
4. Fine art.

L. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".

M. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker" or "contract driver".

N. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

O. "Impaired property" means tangible property, other than your "product" or "work you performed", that cannot be used or is less useful because:

1. It incorporates your "product" or "work you performed" that is known or thought to be defective, deficient, inadequate or dangerous; or
2. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of your "product" or "work you performed" or your fulfilling the terms of the contract or agreement.

P. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

Q. "Insured Contract"

1. "Insured contract" means:
 - a. A lease of premises;
 - 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. That part of any other contract or agreement pertaining to your "auto" dealership or garage business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
 - f. An elevator maintenance agreement; or

- g.** That part of any contract or agreement entered into, as part of your "auto" dealership or garage business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay "property damage" to any "auto" rented or leased by you or any of your "employees".
- 2.** An "insured contract" does not include that part of any contract or agreement:
- a.** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
- (1)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders or drawing and specifications; or
- (2)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
- b.** That indemnifies any person or organization for damage to premises rented or loaned to you or temporarily occupied by you with permission of the owner.
- c.** That pertains to the loan, lease or rental of an "auto", to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver.
- d.** That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- e.** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing.
- R.** "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".
- S.** "Loading or unloading" means the handling of property:
1. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 2. While it is in or on an aircraft, watercraft or "auto"; or
 3. 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".
- T.** "Loss" means direct and accidental loss or damage. But for a "customer's auto" only, "loss" also includes any resulting loss of use.
- U.** "Mental Anguish" means extreme pain or distress inflicted upon an individual's emotional and intellectual condition with regard to the individual's response to the environment.
- V.** "Mental Injury" means humiliation, shock, fright, hurt, or damage as it relates to an individual's emotional and intellectual well-being.
- W.** "Personal and advertising injury" means injury, including consequential "bodily injury", "mental anguish", or "mental injury", arising out of one or more of the following offenses:
1. False arrest, detention or imprisonment;
 2. Malicious prosecution;
 3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 4. 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;
 5. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 6. Common law violation of a person's right of privacy.
 7. The use of another's advertising idea in your "advertisement";
 8. Infringing upon another's copyright, trade dress or slogan in your "advertisement", or
 9. Discrimination or harassment, except employment related discrimination or harassment.

X. "Pollutants" means any solid, liquid, gaseous, bacterial, viral, electromagnetic or thermal irritant or contaminant, including but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, fuels, motor oil, petroleum products, cleaning solvents, brake fluid, transmission fluid, antifreeze, exhaust gases, lead, lead paint, carbon monoxide, sewage, waste and fumes, including but not limited welding fumes and paint fumes. Waste includes materials to be recycled, reconditioned or reclaimed.

A substance does not lose its character of being a "pollutant" by virtue of having a useful function.

Y. "Products" includes:

1. The goods or products made or sold in an "auto" dealership or garage business by:
 - a. You; or
 - b. An "auto" dealership or garage business you have acquired; and
2. The providing of or failure to provide warnings or instructions.

Z. "Property damage" means damage to or loss of use of tangible property.

A.A. "Suit" means a civil proceeding in which:

1. Damages because of "bodily injury", "property damage", "personal and advertising injury" or "acts, errors or omissions"; or
2. A "covered pollution cost or expense", to which this insurance applies, are claimed.

"Suit" includes:

- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" submits with our consent.

A.B. "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. "Temporary worker" does not include a "contract driver".

A.C. "Trailer" includes a semitrailer.

A.D. "Work you performed" includes:

1. Work that someone performed on your behalf; and
2. The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESS AUTO COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:
Endorsement Effective Date:

SCHEDULE

Covered Autos Liability Coverage and Paragraph A. Bodily Injury And Property Damage Liability of Section II - General Liability Coverages in the Auto Dealers Coverage Form are subject to one of the following two deductibles shown below:

Liability Deductible:	\$	Per "Accident"
	OR	
"Property Damage" Only Liability Deductible:	\$	Per "Accident"
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. Liability Deductible

If a Liability Deductible, and not a "Property Damage" Only Liability Deductible, is shown in the Schedule, the damages resulting from any one "accident" that are otherwise payable will be reduced by the Liability Deductible shown in the Schedule prior to the application of the Limit of Insurance provision.

B. Property Damage Only Liability Deductible

If a "Property Damage" Only Liability Deductible, and not a Liability Deductible, is shown in the Schedule, the damages resulting from any one "accident" that are otherwise payable for "property damage" will be reduced by the "Property Damage" Only Liability Deductible shown in the Schedule prior to the application of the Limit of Insurance provision.

C. Our Right To Reimbursement

To settle any claim or "suit", we will pay all or any part of any deductible shown in the Schedule. You must reimburse us for the deductible or the part of the deductible we paid.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA UNINSURED MOTORISTS COVERAGE - NONSTACKED

For a covered "motor vehicle" licensed or principally garaged in, or "auto dealer operations" conducted in, Pennsylvania, this endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESS AUTO COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:
Endorsement Effective Date:

SCHEDULE

Limit Of Insurance: \$	Each "Accident"
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an "uninsured motor vehicle".
2. No judgment for damages arising out of a "suit" brought against the owner or operator of an "uninsured motor vehicle" is binding on us unless we:
 - a. Received reasonable notice of the pendency of the "suit" resulting in the judgment; and
 - b. Had a reasonable opportunity to protect our interests in the "suit".

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
 - a. The Named Insured and any "family members".
 - b. Anyone else "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":

- a. Anyone "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
- b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

C. Exclusions

This insurance does not apply to any of the following:

1. Any claim settled without our consent. However, this exclusion does not apply if such settlement does not adversely affect our rights of recovery under this coverage.
2. The direct or indirect benefit of any insurer or self-insurer under any disability benefits or similar law, except workers' compensation law.
3. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
4. Punitive or exemplary damages.
5. "Bodily injury" sustained by:
 - a. An individual Named Insured while "occupying" or when struck by any vehicle owned by that Named Insured that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form;
 - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form; or
 - c. Any "family member" while "occupying" or when struck by any vehicle owned by the Named Insured that is insured for Uninsured Motorists Coverage on a primary basis under any other Coverage Form or policy.
6. "Bodily injury" arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

1. Regardless of the number of covered "motor vehicles", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the Limit Of Insurance for Uninsured Motorists Coverage shown in the Schedule or Declarations.
2. Any amount payable for damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible. This includes all sums paid for the same damages under this Coverage Form's Covered Autos Liability Coverage. This also includes all sums paid for an "insured's" attorney either directly or as part of the amount paid to the "insured".
3. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage form, Medical Payments Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any disability benefits or similar law, except workers' compensation law.

E. Changes In Conditions

The Conditions are changed for Pennsylvania Uninsured Motorists Coverage - Nonstacked as follows:

1. **Duties In The Event Of Accident, Claim, Suit Or Loss** in the Business Auto and Motor Carrier Coverage Forms and **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** in the Auto Dealers Coverage Form are changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved; and
 - b. Promptly send us copies of the legal papers if a "suit" is brought.

2. **Legal Action Against Us** is replaced by the following:

Legal Action Against Us

- a. No one may bring a legal action against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form.
- b. Any legal action against us under this Coverage Form must be brought within four years after the date on which the "insured" knows of the uninsured status of the owner or driver of the "uninsured motor vehicle". However, this Paragraph b. does not apply to an "insured" if, within four years after the date on which the "insured" knows of the uninsured status of the owner or driver of the "uninsured motor vehicle", we or the "insured" has made a written demand for arbitration in accordance with the provisions of this endorsement.

3. **Transfer Of Rights Of Recovery Against Others To Us** is changed by adding the following:

If we make any payment due to an "accident" involving an "uninsured motor vehicle" and the "insured" recovers from another party in a separate claim or "suit", the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid, less reasonable attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

4. **Other Insurance** in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance - Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form are replaced by the following:

- a. If there is other applicable similar insurance available under more than one Coverage Form or policy, the following priorities of recovery apply:

First	The Uninsured Motorists Coverage applicable to the vehicle the "insured" was "occupying" at the time of the "accident".
Second	The Coverage Form or policy affording Uninsured Motorists Coverage to the "insured" as an individual Named Insured or "family member".

- b. Where there is no applicable insurance available under the first priority, the maximum recovery under all Coverage Forms or policies in the second priority may equal but not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy affording coverage to an individual Named Insured or "family member".
- c. Where there is applicable insurance available under the first priority:
 - (1) The Limit of Insurance applicable to the vehicle the "insured" was "occupying" under the Coverage Form or policy in the first priority shall first be exhausted; and
 - (2) The maximum recovery under all Coverage Forms or policies in the second priority may equal but not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy affording coverage to an individual Named Insured or "family member".
- d. If two or more Coverage Forms or policies have equal priority:
 - (1) The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority;
 - (2) The insurer thereafter is entitled to recover pro rata contribution from any other insurer on the same level of priority for the benefits paid and the costs of processing the claim.

5. The following condition is added:

Arbitration

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. Additional Definitions

As used in this endorsement:

- 1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption, who is a resident of such Named Insured's household, including a ward or foster child.
- 2. "Occupying" means in, upon, getting in, on, out or off.
- 3. "Uninsured motor vehicle" means a land motor vehicle or "trailer":
 - a. For which no liability bond or policy applies at the time of an "accident".
 - b. For which an insuring or bonding company:
 - (1) Denies coverage;
 - (2) Is or becomes insolvent; or
 - (3) Is or becomes involved in insolvency proceedings.

- c. For which neither the driver nor owner can be identified. The vehicle or "trailer" must:

- (1) Hit an "insured", a covered "motor vehicle" or a vehicle an "insured" is "occupying"; or
- (2) Cause an "accident" resulting in "bodily injury" to an "insured" without hitting an "insured", a covered "motor vehicle" or a vehicle an "insured" is "occupying".

If there is no physical contact with the hit-and-run vehicle, the facts of the "accident" must be proved.

However, an "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or who becomes insolvent and cannot provide the amounts required by that motor vehicle law; or
 - b. Designed for use mainly off public roads while not on public roads.
- 4. "Motor vehicle" means a vehicle which is self-propelled, except one which is propelled solely by human power or by electric power obtained from overhead trolley wires, but does not mean a vehicle operated upon rails.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA UNDERINSURED MOTORISTS COVERAGE - NONSTACKED

For a covered "motor vehicle" licensed or principally garaged in, or "auto dealer operations" conducted in, Pennsylvania, this endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESS AUTO COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:
Endorsement Effective Date:

SCHEDULE

Limit Of Insurance: \$	Each "Accident"
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "underinsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an "underinsured motor vehicle".
2. We will pay under this coverage only if Paragraph a. or b. below applies:
 - a. The limits of any applicable liability bonds or policies have been exhausted by payment of judgments or settlements; or
 - b. A tentative settlement has been made between an "insured" and the insurer of the "underinsured motor vehicle" and we:
 - (1) Have been given prompt written notice of such tentative settlement; and

- (2) Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

3. No judgment for damages arising out of a "suit" brought against the owner or operator of an "underinsured motor vehicle" is binding on us unless we:
 - a. Received reasonable notice of the pendency of the "suit" resulting in the judgment; and
 - b. Had a reasonable opportunity to protect our interests in the "suit".

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
 - a. The Named Insured and any "family members".

- b. Anyone else "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
- c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":

- a. Anyone "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
- b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

C. Exclusions

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer or self-insurer under any disability benefits or similar law, except workers' compensation law.
2. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
3. Punitive or exemplary damages.
4. "Bodily injury" sustained by:
 - a. An individual Named Insured while "occupying" or when struck by any vehicle owned by that Named Insured that is not a covered "auto" for Underinsured Motorists Coverage under this Coverage Form;
 - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Underinsured Motorists Coverage under this Coverage Form; or
 - c. Any "family member" while "occupying" or when struck by any vehicle owned by the Named Insured that is insured for Underinsured Motorists Coverage on a primary basis under any other Coverage Form or policy.
5. "Bodily injury" arising directly or indirectly out of:
 - a. War, including undeclared or civil war;

- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

1. Regardless of the number of covered "motor vehicles", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the Limit Of Insurance for Underinsured Motorists Coverage shown in the Schedule or Declarations.
2. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage form, Medical Payments Coverage endorsement or Uninsured Motorists Coverage endorsement attached to this Coverage Part.

We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any disability benefits or similar law, except workers' compensation law.

E. Changes In Conditions

The Conditions are changed for Pennsylvania Underinsured Motorists Coverage - Nonstacked as follows:

1. **Duties In The Event Of Accident, Claim, Suit Or Loss** in the Business Auto and Motor Carrier Coverage Forms and **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** in the Auto Dealers Coverage Form are changed by adding the following:
 - a. Promptly send us copies of the legal papers if a "suit" is brought.
 - b. A person seeking Underinsured Motorists Coverage must also promptly notify us, in writing, of a tentative settlement between the "insured" and the insurer of the "underinsured motor vehicle" and allow us 30 days to advance payment to the "insured" in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such "underinsured motor vehicle".

2. **Legal Action Against Us** is replaced by the following:

Legal Action Against Us

- a. No one may bring a legal action against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form.
- b. Any legal action against us under this Coverage Form must be brought within four years after the date on which the "insured" either settles with, or receives a judgment against, the owner or driver of the "underinsured motor vehicle".
- c. Paragraph 2.b. above of this condition does not apply if, within four years after the date on which the "insured" either settles with, or receives a judgment against, the owner or driver of the "underinsured motor vehicle":
 - (1) We or the "insured" has made a written demand for arbitration in accordance with the provisions of this endorsement; or
 - (2) The "insured" has filed an action for "bodily injury" against the owner or operator of the "underinsured motor vehicle" and such action is:
 - (a) Filed in a court of competent jurisdiction; and
 - (b) Not barred by the applicable state statute of limitations.

In the event that the four-year time limitation identified in this condition does not apply, the applicable state statute of limitations will govern legal action against us under this Coverage Form.

3. **Transfer Of Rights Of Recovery Against Others To Us** is changed by adding the following:

If we make any payment due to an "accident" involving an "underinsured motor vehicle" and the "insured" recovers from another party in a separate claim or "suit", the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid, less reasonable attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

Our rights do not apply under this provision with respect to Underinsured Motorists Coverage if we:

- a. Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of an "underinsured motor vehicle"; and
- b. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Underinsured Motorists Coverage; and
- b. We also have a right to recover the advanced payment.

4. **Other Insurance** in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance - Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form are replaced by the following:

- a. If there is other applicable similar insurance available under more than one Coverage Form or policy, the following priorities of recovery apply:

First	The Underinsured Motorists Coverage applicable to the vehicle the "insured" was "occupying" at the time of the "accident".
Second	The Coverage Form or policy affording Underinsured Motorists Coverage to the "insured" as an individual Named Insured or "family member".

- b. Where there is no applicable insurance available under the first priority, the maximum recovery under all Coverage Forms or policies in the second priority may equal but not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy affording coverage to an individual Named Insured or "family member".

c. Where there is applicable insurance available under the first priority:

(1) The Limit of Insurance applicable to the vehicle the "insured" was "occupying" under the Coverage Form or policy in the first priority shall first be exhausted; and

(2) The maximum recovery under all Coverage Forms or policies in the second priority may equal but not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy affording coverage to an individual Named Insured or "family member".

d. If two or more Coverage Forms or policies have equal priority:

(1) The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority;

(2) The insurer thereafter is entitled to recover pro rata contribution from any other insurer for the benefits paid and the costs of processing the claim.

5. The following condition is added:

Arbitration

a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "underinsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption, who is a resident of such Named Insured's household, including a ward or foster child.

2. "Occupying" means in, upon, getting in, on, out or off.

3. "Underinsured motor vehicle" means a vehicle for which the sum of all liability bonds or policies that apply at the time of an "accident" does not provide at least the amount an "insured" is legally entitled to recover as damages.

However, an "underinsured motor vehicle" does not include any vehicle designed for use mainly off public roads while not on public roads.

4. "Motor vehicle" means a vehicle which is self-propelled, except one which is propelled solely by human power or by electric power obtained from overhead trolley wires, but does not mean a vehicle operated upon rails.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA BASIC FIRST-PARTY BENEFIT

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Pennsylvania, this endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESS AUTO COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:
Endorsement Effective Date:

SCHEDULE

Benefits	Limit Of Insurance
Medical Expense Benefits	Up to \$5,000 per insured
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Coverage

We will pay the Basic First-party Benefit in accordance with the "Act" to or for an "insured" who sustains "bodily injury" caused by an "accident" arising out of the maintenance or use of an "auto".

BENEFITS

Subject to the limit shown in the Schedule or Declarations, the Basic First-party Benefit consists of Medical Expense Benefits. These benefits consist of reasonable and necessary medical expenses incurred for an "insured's":

1. Care;
2. Recovery; or
3. Rehabilitation.

This includes remedial care and treatment rendered in accordance with a recognized religious method of healing.

Medical expenses will be paid if incurred within 18 months from the date of the "accident" causing "bodily injury". If within 18 months from the date of the "accident" causing "bodily injury" it is ascertainable with reasonable medical probability that further expenses may be incurred as a result of the "bodily injury", medical expenses will be paid without limitation as to the time such further expenses are incurred.

B. Who Is An Insured

1. You.
2. If you are an individual, any "family member".
3. Any person while "occupying" a covered "auto".
4. Any person while not "occupying" an "auto" if injured as a result of an "accident" in Pennsylvania involving a covered "auto".

If a covered "auto" is parked and unoccupied, it is not an "auto" involved in an "accident" unless it was parked in a manner as to create an unreasonable risk of injury.

C. Exclusions

We will not pay First-party Benefits for "bodily injury":

1. Sustained by any person injured while intentionally causing or attempting to cause injury to himself or herself or any other person.
2. Sustained by any person while committing a felony.
3. Sustained by any person while seeking to elude lawful apprehension or arrest by a law enforcement official.
4. Sustained by any person while maintaining or using an "auto" knowingly converted by that person. However, this exclusion does not apply to:
 - a. You; or
 - b. Any "family member".
5. Sustained by any person who, at the time of the "accident":
 - a. Is the owner of one or more currently registered "autos" and none of those "autos" is covered by the financial responsibility required by the "Act"; or
 - b. Is "occupying" an "auto" owned by that person for which the financial responsibility required by the "Act" is not in effect.
6. Sustained by any person maintaining or using an "auto" while located for use as a residence or premises.
7. Sustained by a pedestrian if the "accident" occurs outside of Pennsylvania. This exclusion does not apply to:
 - a. You; or
 - b. Any "family member".
8. Sustained by any person while "occupying":
 - a. A recreational vehicle designed for use off public roads; or
 - b. A motorcycle, moped or similar type vehicle.
9. Arising directly or indirectly out of:
 - a. A discharge of a nuclear weapon (even if accidental);
 - b. War, including undeclared or civil war;
 - c. 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
 - d. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
10. From or as a consequence of the following whether controlled or uncontrolled or however caused:
 - a. Nuclear reaction;
 - b. Radiation; or
 - c. Radioactive contamination.

D. Limit Of Insurance

1. Regardless of the number of covered "autos", premiums paid, claims made, "autos" involved in the "accident" or insurers providing First-party Benefits, the most we will pay to or for an "insured" as the result of any one "accident" is the limit shown in the Schedule or in the Declarations.
2. Any amount payable under First-party Benefits shall be excess over any sums paid, payable or required to be provided under any workers' compensation law or similar law.

E. Changes In Conditions

The Conditions are changed for First-party Benefits as follows:

1. **Transfer Of Rights Of Recovery Against Others To Us** does not apply.
2. The following conditions are added:

Nonduplication Of Benefits

No person may recover duplicate benefits for the same expenses or loss under this or any other similar automobile coverage including self-insurance.

Priorities Of Policies

We will pay First-party Benefits in accordance with the order of priority set forth by the "Act". We will not pay if there is another insurer at a higher level of priority. The "First" category listed below is the highest level of priority and the "Fourth" category listed below is the lowest level of priority. The priority order is:

First	The insurer providing benefits to the "insured" as a named insured.
Second	The insurer providing benefits to the "insured" as a family member who is not a named insured under another policy providing coverage under the "Act".
Third	The insurer of the "auto" which the "insured" is "occupying" at the time of the "accident".
Fourth	The insurer providing benefits on any "auto" involved in the "accident" if the "insured" is:

- a. Not "occupying" an "auto"; and
- b. Not provided First-party Benefits under any other policy.

If two or more policies have equal priority within the highest applicable number in the priority order:

1. The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible;
2. If we are the insurer against whom the claim is first made, our payment to or for an "insured" will not exceed the applicable limit shown in the Schedule or Declarations;

3. The insurer thereafter is entitled to recover pro rata contribution from any other insurer for the benefits paid and the costs of processing the claim. If contribution is sought among insurers under the Fourth priority, proration shall be based on the number of involved motor vehicles; and
4. The maximum recovery under all policies shall not exceed the amount payable under the policy with the highest dollar limit of benefits.

F. Additional Definitions

As used in this endorsement:

1. "Auto" means a self-propelled motor vehicle or trailer required to be registered, operated or designed for use on public roads. However, "auto" does not include a vehicle operated:
 - a. By muscular power; or
 - b. On rails or tracks.
2. The "Act" means the Pennsylvania Motor Vehicle Financial Responsibility Law.
3. "Family member" means a resident of your household who is:
 - a. Related to you by blood, marriage or adoption; or
 - b. A minor in your custody or in the custody of any other "family member".
4. "Occupying" means in, upon, getting in, on, out or off.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY

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

A. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury, damage, loss or expense, is enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information or mechanical system; and

b. When one or both of the following apply:

- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury, damage, loss or expense" means any injury, damage, loss or expense covered under any Coverage Form or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "loss", loss of use, rental reimbursement after "loss" or "covered pollution cost or expense", as may be defined under this Coverage Form, Policy or any applicable endorsement.

B. Except with respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage, Garagekeepers Coverage - Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, the following exclusion is added:

Exclusion Of Terrorism

We will not pay for "any injury, damage, loss or expense" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury, damage, loss or expense" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury, damage, loss or expense. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or

2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs **B.5.** and **B.6.** are exceeded.

With respect to this exclusion, Paragraphs **B.5.** and **B.6.** describe the thresholds used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Policy or any applicable endorsement.

- C. With respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage, Garagekeepers Coverage - Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, the following exclusion is added:

Exclusion Of Terrorism

We will not pay for any "loss", loss of use or rental reimbursement after "loss" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold in Paragraph **C.5.** is exceeded.

With respect to this exclusion, Paragraph **C.5.** describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Policy or any applicable endorsement.

D. In the event of any incident of "terrorism" that is not subject to the exclusion in Paragraph **B.** or **C.**, coverage does not apply to "any injury, damage, loss or expense" that is otherwise excluded under this Coverage Form, Policy or any applicable endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION FOR COVERED AUTOS EXPOSURE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. The following exclusion is added to Covered Autos Liability Coverage:

Silica Or Silica-related Dust Exclusion For Covered Autos Exposure

This insurance does not apply to:

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. 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. Additional Definitions

As used in this endorsement:

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.

**ADDITIONAL INSURED - GENERAL LIABILITY
COVERAGES - OWNERS OF LEASED OR
RENTED LAND OR PREMISES**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:
Endorsement Effective Date:

SCHEDULE

Description Of Premises Or Land Leased Or Rented To You	Name Of Person Or Organization	Premium
		\$

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Paragraph D. Who Is An Insured under Section II - General Liability Coverages is changed to include as an "insured" the person or organization named in the Schedule, but only for liability arising out of the ownership, maintenance and use of that part of the described land or premises which is leased or rented to you.

B. The insurance afforded by this endorsement does not apply to:

- Any "accident" which occurs after you cease to be a tenant in the premises.
- Structural alterations, new construction or demolition operations performed by or for the designated person or organization.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION - GENERAL LIABILITY COVERAGES

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

Section II - General Liability Coverages is changed as follows:

A. The following exclusion is added to Paragraph 2. Exclusions of Paragraph A. Bodily Injury And Property Damage Liability:

This insurance does not apply to:

Fungi Or Bacteria Exclusion

- (1) "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- (2) Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any "insured" or by any other person or entity.

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

B. The following exclusion is added to Paragraph 2. Exclusions of Paragraph B. Personal And Advertising Injury Liability:

This insurance does not apply to:

Fungi Or Bacteria Exclusion

- (1) "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- (2) Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any "insured" or by any other person or entity.

C. As used in this endorsement:

"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.

SILICA OR SILICA-RELATED DUST EXCLUSION FOR GENERAL LIABILITY COVERAGES

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

Section II - General Liability Coverages is changed as follows:

A. The following exclusion is added to Paragraph 2. **Exclusions** of Paragraph A. **Bodily Injury And Property Damage Liability:**

Silica Or Silica-related Dust Exclusion

This insurance does not apply to:

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any "insured" or by any other person or entity.

B. The following exclusion is added to Paragraph 2. **Exclusions** of Paragraph B. **Personal And Advertising Injury Liability:**

Silica Or Silica-related Dust Exclusion

This insurance does not apply to:

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any "insured" or by any other person or entity.

C. Additional Definitions

As used in this endorsement:

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.

EXCLUSION - ACTS, ERRORS OR OMISSIONS LIABILITY COVERAGES

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

Section III - Acts, Errors Or Omissions Liability Coverages does not apply and none of the references to "Acts, Errors Or Omissions" Liability Coverages or Acts, Errors Or Omissions Liability in the Coverage Form, Declarations or any endorsement attached to the Coverage Form apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BROAD FORM WORK YOU PERFORMED AND FAULTY
WORK ENDORSEMENT**

This endorsement modifies the coverage provided under the following:

AUTO DEALERS COVERAGE FORM

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

- A. Section II - General Liability Coverages, Part A. Bodily Injury And Property Damage Liability**, is amended by deleting exclusion i. Work You Performed.
- B. If the Declarations indicates Garagekeepers Coverage** is provided by this policy, that coverage is modified by the following:

Faulty Work Coverage:

1. Exclusions **(3) Defective Parts** and **(4) Faulty Work** do not apply.
2. The following is added to Paragraph **5. Limit Of Insurance And Deductibles:**

We will only pay for "loss" to a "customer's auto" under Faulty Work Coverage that exceeds the Faulty Work deductible indicated in the Declarations. This deductible applies separately to each "customer's auto". To settle a claim or "suit", we may pay all or any part of the deductible. If this happens you must reimburse us for the deductible or that portion of the deductible we have paid.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
**DEDUCTIBLE - DAMAGE TO AUTO RESULTING FROM
WORK PERFORMED**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

SCHEDULE

Deductible - Damage to Auto Resulting From Work You Performed: \$ _____ Each Auto
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II, Paragraph F.7. - Limits Of Insurance - General Liability Coverages is replaced by the following:

- 7. We will deduct the amount shown in the Schedule (or Declarations) from the damages in any "accident" resulting from "property damage" to an "auto" as a result of "work you performed" on that "auto". No other deductible applies to that "auto's" "property damage".

When other damage resulting from the same "accident" is subject to a deductible, the maximum amount subject to all deductibles under Section II - Liability Coverage for that "accident" will be equal to the largest applicable deductible.

To settle a claim or "suit", we may pay all or any part of the deductible. If this happens you must reimburse us for the deductible or that portion of the deductible we have paid.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FELLOW EMPLOYEE COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

- A. Under Section I - Covered Autos Liability Coverage**, the **Fellow Employee Exclusion** does not apply.
- B. Under Section II - General Liability Coverages**, Paragraph **D.5.** of the **Who Is An Insured** section is replaced by the following:
- 5.** Your "employees", other than either your "executive officers" (if you are an organization other than a partnership or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of employment by you or while performing duties related to the conduct of your "auto dealer operations". However, no "employee" is an "insured" for:
- a. "Personal and Advertising Injury":
- (1)** To you (if you are an individual), your partners (if you are a partnership), your members (if you are a limited liability company) or a fellow "employee" of the "insured" while in the course of his or her employment or while performing duties related to the conduct of your "auto dealer operations";
- (2)** To the spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph **(1)** above;
- (3)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)** or **(2)** above; or
- (4)** Arising out of his or her providing or failing to provide professional health care services.
- b. "Property damage" to property:
- (1)** Owned, occupied or used by;
- (2)** 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 any member (if you are a limited liability company).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY – WITH
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies the coverage provided under the following:

AUTO DEALERS COVERAGE FORM

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

Section II – General Liability Coverages is modified by the following:

A. The following exclusion is added to Paragraph 2. Exclusions of Coverage A – Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

Damages arising out of:

- (a) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (b) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (a) or (b) above.

However, unless Paragraph (a) above applies, this exclusion does not apply to damages because of "bodily injury".

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

B. The following exclusion is added to Paragraph 2. Exclusions of Coverage B – Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES - AUTO DEALERS COVERAGE FORM

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Pennsylvania, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

A. Changes In Covered Autos Liability Coverage

1. The following is added to Paragraph 3.a. **Supplementary Payments:**

Prejudgment interest awarded against the "insured" on the part of the judgment we pay. Any prejudgment interest awarded against the "insured" is subject to the applicable Pennsylvania Rules of Civil Procedure.

2. The following is added to **Paragraph 5. Limit of Insurance - Covered Autos Liability**

For your customers, the most we will pay for all damages resulting from an "accident" involving a covered "auto" is that portion of the Limit of Insurance for Covered "Autos" Liability Coverage needed to comply with the minimum limits provision of the law in the jurisdiction where the "accident" took place.

B. Changes In General Liability Coverages

The following is added to Paragraph E. **Supplementary Payments:**

Prejudgment interest awarded against the "insured" on the part of the judgment we pay. Any prejudgment interest awarded against the "insured" is subject to the applicable Pennsylvania Rules of Civil Procedure.

C. Changes In Conditions

1. Paragraph 2.b.(5) of the **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** Condition is replaced by the following:

(5) After we show good cause, submit to examination at our expense, by physicians of our choice.

2. The following is added to Paragraph 5. **Transfer Of Rights Of Recovery Against Others To Us** Condition:

If we make any payment due to an "accident" and the "insured" recovers from another party in a separate claim or "suit", the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid less reasonable attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

3. Paragraph 5.a. of the **Other Insurance** Condition is changed by adding the following:

Covered Autos Liability Coverage is excess for any covered "auto" you own if operated by a customer.

4. The following paragraph is added to the **Other Insurance** Condition:

g. If you are a motor vehicle dealer as defined in the Pennsylvania Board of Vehicles Act 63 Pa. Stat. Ann. § 818.2, then:

(1) For any "auto" you own, which is loaned to a customer as a temporary substitute for an "auto" insured under a "customer's private passenger automobile insurance policy" which is out of use because it is being transported, serviced, repaired or inspected, Physical Damage Coverage provided by this Coverage Form shall be excess in the event of a "loss".

(2) For any "auto" insured under your "customer's private passenger automobile insurance policy", while it is being transported, serviced, repaired or inspected by you or your "employee":

(a) Covered Autos Liability Coverage, but only with respect to damages because of "bodily injury";

(b) Comprehensive Coverage;

(c) Specified Cause Of Loss Coverage;
and/or

(d) Collision Coverage;

provided by this form shall be primary in the event of an "accident" or "loss".

5. The following paragraphs are added to Paragraph B. General Conditions:

a. Constitutionality Clause

The premium for, and the coverages of, this Coverage Form have been established, in part, in reliance upon the provisions of the Pennsylvania Motor Vehicle Financial Responsibility Law. In the event a court, from which there is no appeal, declares or enters a judgment, the effect of which is to render the provisions of such statute invalid or unenforceable in whole or in part, we shall have the right to recompute the premium payable for the Coverage Form and void or amend the provisions of the Coverage Form, subject to the approval of the Insurance Commissioner.

b. Conformity Clause

If you are a motor vehicle dealer as defined in the Pennsylvania Board of Vehicles Act, 63 Pa. Stat. Ann. § 818.2, then whenever an "auto" that is insured under your "customer's private passenger automobile insurance policy" is being transported, serviced, repaired or inspected by you or your "employee":

(1) The provisions of the:

(a) Covered Autos Liability Coverage, but only with respect to damages because of "bodily injury";

(b) Comprehensive Coverage;

(c) Specified Cause Of Loss Coverage;
and/or

(d) Collision Coverage;

provided by this Coverage Form are hereby amended to conform to 40 Pa. Stat. Ann. § 991.2007a; and

(2) Pursuant to 40 Pa. Stat. Ann. § 991.2007a, the Limits Of Insurance provided in the Schedule or in the Declarations are hereby increased as needed to an amount equal to the:

(a) Applicable limit(s);

(b) Actual cash value; and/or

(c) Amount necessary to repair or replace the property with other property of like kind and quality;

set forth in the "customer's private passenger automobile insurance policy".

D. Changes In Definitions

For motor vehicle dealers as defined in the Pennsylvania Board of Vehicles Act, 63 Pa. Stat. Ann. § 818.2, the following definition is added:

"Customer's private passenger automobile insurance policy" means a private passenger automobile insurance policy that:

1. Is currently in effect; and

2. Lists your "customer's auto" in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**GARAGEKEEPERS COVERAGE
LEGAL LIABILITY COVERAGE - NATURAL DISASTERS
DIRECT PRIMARY COVERAGE - OTHER THAN NATURAL
DISASTERS**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

Section I, part E. - Garagekeepers Coverage is amended by the addition of the following:

Except for "loss" caused by windstorm, hail, flood or rising water, earthquake or other earth movement or other natural disaster, the garagekeepers coverage is changed to apply without regard to your legal liability and is primary insurance.

For "loss" caused by windstorm, hail, flood or rising water, earthquake or other earth movement or other natural disaster, the garagekeepers coverage will apply to the "loss" on a legal liability basis only.

All other terms and provisions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VICARIOUS LIABILITY COVERAGE - IDENTITY THEFT

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

SCHEDULE

Vicarious Liability - Identity Theft Each Customer Limit of Insurance:

Vicarious Liability - Identity Theft Aggregate Limit of Insurance:

(If no entry appears above, the information needed to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Section II - General Liability Coverages is amended by the addition of the following:

A. Vicarious Liability Coverage - Identity Theft

1. We will also pay sums you must pay as damages arising out of your "vicarious liability" due to the actions of your "employees" other than:

- a. Your partners (if you are a partnership);
- b. Your members or managers (if you are a limited liability company);
- c. Your directors; or
- d. Your "executive officers";

resulting from the theft or misuse of a customer's social security number, credit history or other personal information.

2. We have the right and duty to defend you against any "suit" asking for these damages. However, we have no duty to defend you against a "suit" to which this insurance does not apply. We may investigate or settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the applicable "Vicarious Liability" - Identity Theft Limit of Insurance has been exhausted by payment of judgments or settlements.

3. This insurance only applies to "employees" actions, involving a particular customer's social security number, credit history or other personal information, only if those actions take place during the policy period and you or any other "employee" authorized by you to give or

receive notice of a claim or "suit" knew that the actions had taken place. If you or any such authorized "employee" knew of such actions prior to the effective date of the policy period, then any continuation, change or resumption of such actions, by an "employee" or group of "employees", during or after the policy period will be deemed to have been known prior to the effective date of the policy.

An "employee's" actions will be deemed to have been known when you or an "employee" authorized by you to receive notice of a claim or "suit":

- a. Reports all or any part of the actions to us or any other insurer;
- b. Receives a written or verbal demand or claim for damages because of the misuse of a customer's social security number, credit history or other personal information.
- c. Becomes aware by any other means of the misuse of a customer's social security number, credit history or other personal information.

4. You are the only "insured" for the coverage provided by this endorsement.

B. Exclusions

The coverage provided by this endorsement does not apply to:

1. Claims or "suits" arising out of the actions committed by or with the knowledge or at the direction of you, your partners (if you are a partnership), members or managers (if you are a limited liability company), directors or "executive officers".

VICARIOUS LIABILITY COVERAGE - IDENTITY THEFT - CONTINUED

2. Liability assumed under any contract or agreement. This exclusion will not apply to "vicarious liability" you would have had in the absence of the contract or agreement.

3. Damages or other amounts you must pay under any recourse or other agreement to become responsible in the event of default by the purchaser of any credit you have arranged or placed.

C. Who Is An Insured

1. For the coverage provided by this endorsement, Part **D. Who Is An Insured** is replaced by the following:

You are the only insured for Vicarious Liability Coverage - Identity Theft.

D. Limit Of Insurance

1. **F. Limits Of Insurance - General Liability Coverages** is amended by adding the following to Paragraph 1.a.:

(4) Damages for "Vicarious Liability" Coverage - Identity Theft.

2. Subject to the **General Liability Aggregate Limit**, and regardless of the number of "insureds", claims made, "suits" brought or persons or organizations making a claim or bringing "suits", the most we will pay for the sum of all damages involving your "vicarious liability" from the theft or misuse of a customers social security number, credit history or other personal information is the **Aggregate Limit Of Insurance - "Vicarious Liability" - Identity Theft** shown in the Declarations.

3. Subject to Paragraphs **D.1.** and **D.2.** above, and regardless of the number of "insureds" or "employees" involved, the most we will pay for a claim or "suit" brought by a customer is the **Each Customer Limit Of Insurance - "Vicarious Liability" - Identity Theft** shown in the Declarations.

4. The **Aggregate Limit Of Insurance - "Vicarious Liability" - Identity Theft** applies separately to each consecutive annual policy 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 **Aggregate Limit Of Insurance - "Vicarious Liability" - Identity Theft**.

E. Additional Definitions

Section V - Definitions is amended by the addition of the following"

"Vicarious liability" means liability that a person or organization bears for the actions of a subordinate or associate.

All other terms and provisions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIFIED STATUTES SUIT DEFENSE - ADDITIONAL INSURANCE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

SCHEDULE

Limits Of Insurance:			
\$	Per Suit Limit	Per Suit Deductible	\$
\$	Aggregate Limit of Insurance - All Suits		
Statutes, Ordinances And Regulations To Which This Coverage Applies:			
<ul style="list-style-type: none"> • Fair Credit Reporting Act; (FCRA) • Equal Credit Opportunity Act; • Gramm-Leach-Bliley Act; • Drivers Privacy Protection Act (18 U.S.C. SubSection 2721-2725); • Telephone Consumer Protection Act; (TCPA) • Controlling the Assault of Non-Solicited Pornography and Marketing Act; (CAN-SPAM) • Presidential Executive Order 13224 and Office of Foreign Assets Control regulations • Federal Patent Infringement Law 			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

The following is added to **Section II - General Liability Coverages:**

Specified Statutes Suit Defense - Additional Coverage

A. Coverage:

1. We will pay defense costs to your "attorneys" for defending a "Specified Statutes Suit" brought against you during the policy period.
2. We have the right, but not the duty, to investigate and defend or settle that suit at our option. If we elect to:
 - a. Settle, we will pay all settlement costs in excess of your deductible up to the limit of insurance for this coverage.

b. Pay defense costs, settlement will be at your option and at your expense, except for the defense costs subject to this insurance.

3. Our payment of the Limit Of Insurance of this additional insurance ends any obligation we may have to defend you against a "Specified Statutes Suit".
4. Nothing in this coverage will serve to impair the client relationship between you and your "attorneys".

B. Exclusions

This additional insurance does not apply to the cost of defending:

1. Any dishonest, fraudulent, intentional, or criminal act or omission committed by you or at your direction;
2. Allegations which claim damages for "bodily injury", "property damage" or "personal and advertising injury";

SPECIFIED STATUTES SUIT DEFENSE - ADDITIONAL INSURANCE - CONTINUED

3. Allegations to enforce a warranty agreement or mechanical break-down agreement provided or sold by you;
 4. Allegations of a duty to withdraw, recall, inspect, repair, replace, adjust, remove, or dispose of your "product" or your "work" because of a known or suspected defect, deficiency, inadequacy, or dangerous condition in the "product" or "work";
 5. Any "Specified Statutes Suit" brought as a result of your intentional refusal to negotiate a reasonable settlement prior to the "Specified Statute Suit";
 6. Allegations arising out of your activities as an insurance agent, broker or solicitor;
 7. Any violation of an odometer, disclosure of prior damage, truth-in-lending or truth-in-leasing law; or
 8. Allegations which are covered by other valid and collectible insurance.
- C. For the additional coverage provided by this endorsement, Paragraph **D. Who Is An Insured** is replaced with the following:
- D. Who Is An Insured**
Only you are an "insured" for this additional coverage.
- D. For the additional coverage provided by this endorsement, Paragraph **F. Limits Of Insurance - General Liability Coverages** is replaced by the following:
1. The Limits of Insurance shown in the Schedule for this endorsement and the rules below fix the most we will pay, regardless of the number of:
 - a. "Insureds";
 - b. Acts, omissions, or civil violations which result in "Specified Statutes Suits";
 - c. "Specified Statutes Suits" brought; or
 - d. Persons or organizations bringing "Specified Statutes Suits";
 2. The **Aggregate Limit Of Insurance - All Suits** is the most we will pay for the sum of all defense costs or settlements from all "Specified Statutes Suits".
 3. Subject to Paragraph **D.2.** above, the **Per Suit Limit** of Insurance is the most we will pay for defense costs or settlements arising out of any one "Specified Statutes Suit".
 4. The Specified Statutes Suits Aggregate Limit of Insurance will 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. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last proceeding period for purposes of determining the Aggregate Limit of Insurance - All Suits.
5. Following the conclusion of a "Specified Statutes Suit", we will pay all sums covered by this additional insurance that are reasonable and necessary amounts due your "attorneys" within 30 days of receiving their itemized bill. However, the covered defense costs:
- (a) Must be at prevailing rates usual to the locality for the nature of the work; and
 - (b) Must include your "attorney's" daily record of services performed, costs incurred, and verifiable documentation of expenses.
6. If a "Specified Statutes Suit" contains allegations not covered by this additional insurance, we will only pay that portion of your "attorney's" bill pertaining to defense of a "Specified Statutes Suit" to which this insurance applies.
- E. Deductible**
Our obligation to pay defense costs, expenses, or settle a "Specified Statutes Suit" applies only in excess of the Deductible stated in the Schedule for this endorsement.
- F. Section VI - Conditions** is changed as follows:
1. For the purposes of this endorsement only, Paragraph **A. Loss Conditions** subparagraph **2. Duties In The Event Of Accident Claim Suit Or Loss** is replaced with the following:
 2. **Duties In The Event Of A Specified Statutes Suit**
 - a. In the event of a "Specified Statutes Suit", you must give us (or our authorized representative) prompt notice of the "Specified Statutes Suit". Include:
 - (1) All legal papers and documents pertaining to the "Specified Statutes Suit";
 - (2) How and when the act or omission causing the "Specified Statutes Suit" took place;
 - (3) The names and addresses of persons involved or witnesses.

SPECIFIED STATUTES SUIT DEFENSE - ADDITIONAL INSURANCE - CONTINUED

b. You must also cooperate and assist us:

- (1) In our investigations;
- (2) If we elect to defend, in the defense; and
- (3) If we decide to enforce contribution, subrogation, or indemnification of payments made by us.

2. For the purpose of this endorsement only, Paragraph **B. General Conditions** subparagraph **5. Other Insurance** is replaced by the following:

5. Other Insurance

- a. This additional insurance is excess over any other valid and collectible insurance and shall not contribute to it.
- b. If other valid and collectible insurance does not pay your defense costs, we will pay to the extent this additional insurance would apply in the absence of other insurance. However, we will then be entitled to your rights against the other insurance.

3. For this endorsement only, Paragraph **B. General Conditions** subparagraph **7. Policy Period, Coverage Territory** is replaced with the following:

7. Policy Period, Coverage Territory

This insurance applies only to a "Specified Statutes Suit" filed against you in the United States of America, its territories or possessions, or Puerto Rico.

G. Additional Definitions

As used in this endorsement:

1. "Attorney" means any person holding a license in good standing to practice law in any jurisdiction of the United States, its possessions or territories, the District of Columbia or Canada.
2. "Specified Statutes Suit" means a civil proceeding, arbitration or mediation brought against you by or on behalf of a customer of yours and arising out of an alleged violation of one or more of the specific statutes, ordinances, or regulations listed in the Schedule of this endorsement (or shown in the Declarations as applicable to this coverage).
3. "Products" means the goods or products, other than real property, that you make, sell, handle, distribute, rent, or lease to others.
4. "Work" means installation, service, or repair operations performed by you or by someone else at your request.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DRIVER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
AUTO DEALERS COVERAGE FORM

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

It is hereby agreed and understood that the insurance afforded under this policy shall not apply with respect to any claim arising from accidents which occur while any "auto" is being operated by any excluded driver(s) listed below:

EXCLUDED DRIVER(S)

Michael Moore XXXX8702

INSURED ACCEPTANCE

I am authorized to act on behalf of the Named Insured in the selection and purchase of insurance.

Insured Signature: _____

Date Signed _____

Print Name Here: _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DRIVER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
AUTO DEALERS COVERAGE FORM

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

It is hereby agreed and understood that the insurance afforded under this policy shall not apply with respect to any claim arising from accidents which occur while any "auto" is being operated by any excluded driver(s) listed below:

EXCLUDED DRIVER(S)

Mark Mosco XXXX2052

INSURED ACCEPTANCE

I am authorized to act on behalf of the Named Insured in the selection and purchase of insurance.

Insured Signature: _____

Date Signed _____

Print Name Here: _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BROAD FORM PRODUCTS COVERAGE

This endorsement modifies the coverage provided under the following:

AUTO DEALERS COVERAGE FORM

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

Paragraph **A. Bodily Injury And Property Damage Liability of Section II - General Liability Coverage** is changed as follows:

To settle any claim or "suit", we may pay all or any part of the deductible. If this happens you must reimburse us for the deductible or the part of the deductible we have paid.

Exclusion **2.h. Defective Products** does not apply.

However, subject to the **General Liability Bodily Injury And Property Damage Liability** Each "Accident" Limit, the coverage only applies to that amount of "property damage" to your "products" that exceeds a \$500 deductible for any one "accident". If the policy is subject to a higher Liability Coverage Deductible or Property Damage Only Liability Deductible, then that higher deductible will apply to the "accident" instead of the \$500 deductible.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF AUTOS LOANED TO DRIVER TRAINING PROGRAMS

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

A. The following exclusion is added to Section I., Part D. - Covered Autos Liability Coverage:

This insurance does not apply to:

Any "auto" which is on loan under an agreement to provide "autos" for a driver training program. However, if liability insurance obtained by the provider of the driver training program is not available:

1. This exclusion shall not apply to you; and
2. If required by law, this insurance will provide minimum financial responsibility limits on such "auto" for the provider of the driver training program and persons authorized to operate such "autos".

B. The following exclusion is added to Section I., Part F. Physical Damage Coverage:

This insurance does not apply to:

Any "auto" which is on loan under an agreement to provide "autos" for a driver training program.

C. The Auto Medical Payments Coverage endorsement is changed by adding the following Exclusion:

This insurance does not apply to:

"Bodily injury" to anyone while occupying or using an "auto" which is on loan under an agreement to provide "autos" for a driver training program. However, this exclusion shall not apply to you.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - DESIGNATED
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

SCHEDULE

Name of Person or Organization:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Section II - General Liability Coverages, Paragraph D. Who Is An Insured is amended by the addition of the following:

The following are "insureds" for "auto dealer operations";

The person or organization listed in the Schedule above, but only with respect to liability arising out of your "auto dealer operations" or premises owned by or rented to you.

All other terms and provisions of the policy remain unchanged.

ALL TERRAIN VEHICLES LIMITATION - ATV, SNOWMOBILE, MINI-BIKE, AND OFF ROAD MOTORCYCLE LEASE OR RENTAL EXCLUSION

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

A. Section I, Coverage D. Covered Autos Liability Coverage, and any Medical Payments, Personal Injury Protection (or equivalent no-fault coverage), and **Uninsured/Underinsured Motorists Insurance** coverages provided by this policy are amended by the addition of the following:

This insurance does not apply to the lease or rental of any "all terrain vehicle", snowmobile, miniature motorcycle (also known as a mini-bike or pocket bike), or motorcycle (designed exclusively for off-road use). This exclusion does not apply to your, your "employee's" or executive officer's liability arising from an "all terrain vehicle" or snowmobile provided as a temporary substitute to a customer whose "all terrain vehicle" or snowmobile is being serviced or repaired.

B. For the purposes of this exclusion, the following definition is added:

"All terrain vehicle" means a land motorized vehicle, whether or not subject to motor vehicle registration.

1. With three or four broad, low pressure tires (less than 10 pounds per square inch);
2. With a seat to be straddled by the operator and, where applicable, a passenger;
3. With handlebars for steering; and
4. Designed for off-road use.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OPERATIONS DEFENSE COSTS - ADDITIONAL INSURANCE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

SCHEDULE

Each Operations Suit Limit of Insurance:

Operations Suits Aggregate Limit of Insurance:

Each Operations Suit Deductible:

(If no entry appears above, the information needed to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following is added to **Section II - General Liability Coverages:**

Operations Defense Costs Additional Coverage

A. Coverage:

1. We will pay defense costs to your "attorneys" for defending "Operations Suits" brought against you during the policy period.
2. We have the right, but not the duty, to investigate any "Operations Suit" and defend or settle that suit at our option. If we elect to:
 - a. Settle, we will pay all settlement costs in excess of your deductible up to the limit of insurance for this coverage.
 - b. Pay defense costs, settlement will be at your option and at your expense, except for the defense costs subject to this insurance.
3. Our payment of the Limit of Insurance of this additional insurance ends any obligation we may have to defend you against an "Operations Suit".
4. Nothing in this coverage will serve to impair the client relationship between you and your "attorneys".

B. Exclusions:

This additional insurance does not apply to the cost of defending:

1. Any dishonest, fraudulent, intentional or criminal act or omission committed by you or at your direction;
2. Allegations which claim damages for "bodily injury", "property damage" or "personal and advertising injury";
3. Allegations to enforce a warranty agreement or mechanical break-down agreement provided or sold by you;
4. Allegations of a duty to withdraw, recall, inspect, repair, replace, adjust, remove, or dispose of your "product" or your "work" because of a known or suspected defect, deficiency, inadequacy, or dangerous condition in the "product" or "work";
5. Any "Operations Suits" brought as a result of your intentional refusal to negotiate a reasonable settlement prior to the "Operations Suit";
6. Allegations arising out of your activities as an insurance agent, broker or solicitor;

OPERATIONS DEFENSE COSTS - ADDITIONAL INSURANCE - CONTINUED

7. Any violation of an odometer, disclosure of prior damage, truth-in-lending or truth-in-leasing law; or
 8. Allegations which are covered by other valid and collectible insurance.
- C. For the additional coverage provided by this endorsement, Paragraph **D. Who Is An Insured** is replaced with:
- D. Who Is An Insured**
Only you are an "insured" for this additional coverage.
- D. For the additional coverage provided by this endorsement, Paragraph **F. Limits Of Insurance - General Liability Coverages** is replaced by the following:
1. The Limits of Insurance shown in the schedule for this endorsement and the rules below fix the most we will pay, regardless of the number of:
 - a. "Insureds";
 - b. Acts or omissions which result in "Operations Suits";
 - c. "Operations Suits" brought; or
 - d. Persons or organizations bringing "Operations Suits";
 2. The Operations Suits Aggregate Limit of Insurance is the most we will pay for the sum of all defense costs or settlements from all "operations suits".
 3. Subject to Paragraph **D.2.** above, the Each Operations Suits Limit of Insurance is the most we will pay for defense costs or settlements arising out of any one "operations suit".
 4. The Operations Suits Aggregate Limit of Insurance will 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. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.
 5. Following the conclusion of an "Operations Suit", we will pay all sums covered by this additional insurance that are reasonable and necessary amounts due your "attorneys" within 30 days of receiving their itemized bill. However, the covered defense costs:
 - a. Must be at prevailing rates usual to the locality for the nature of the work; and
 - b. Must include your "attorney's" daily record of services performed, costs incurred, and verifiable documentation of expenses.
6. If an "Operations Suit" contains allegations not covered by this additional insurance, we will only pay that portion of your "attorney's" bill pertaining to defense of an "Operations Suit" to which this insurance applies.
- E. Deductible**
Our obligation to pay defense costs, expenses, or settle an "Operations Suit" applies only in excess of the Deductible stated in the Schedule for this endorsement.
- F. Section IV - Conditions** is changed as follows:
1. For the purposes of this endorsement only, Paragraph **A. Loss Conditions** subparagraph **2. Duties In The Event Of Accident Claim Suit, Loss, Or Acts, Errors Or Omissions** is replaced with the following:
 2. **Duties In The Event Of Operations Suit**
 - a. In the event of a "Operations Suit", you must give us (or our authorized representative) prompt notice of the "Operations Suit". Include:
 - (1) All legal papers and documents pertaining to the "Operations Suit";
 - (2) How and when the act or omission causing the "Operations Suit" took place;
 - (3) The names and addresses of persons involved or witnesses.
 - b. You must also cooperate and assist us:
 - (1) In our investigations;
 - (2) If we elect to defend, in the defense; and
 - (3) If we decide to enforce contribution, subrogation, or indemnification of payments made by us.

OPERATIONS DEFENSE COSTS - ADDITIONAL INSURANCE - CONTINUED

2. For the purpose of this endorsement only, Paragraph **B. General Conditions** subparagraph **5. Other Insurance** is replaced by the following:

5. Other Insurance

- a. This additional insurance is excess over any other valid and collectible insurance and shall not contribute to it.
- b. If other valid and collectible insurance does not pay your defense costs, we will pay to the extent this additional insurance would apply in the absence of other insurance. However, we will then be entitled to your rights against the other insurance.

3. For this endorsement only, Paragraph **B. General Conditions** subparagraph **7. Policy Period, Coverage Territory** is replaced with the following:

7. Policy Period, Coverage Territory

- a. This insurance applies only to "Operations Suits" filed against you in the United States of America, its territories or possessions, Puerto Rico or Canada.

G. Additional Definitions

As used in this endorsement:

1. "Attorney" means any person holding a license in good standing to practice law in any jurisdiction of the United States, its possessions or territories, the District of Columbia or Canada.
2. "Operations Suit" means a civil proceeding, arbitration or mediation brought against you by or on behalf of a customer of yours and arising out of your "products" or "work".
3. "Products" means the goods or products, other than real property, that you make, sell, handle, distribute, rent, or lease to others.
4. "Work" means installation, service, or repair operations performed by you or by someone else at your request.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

With respect to coverage provided by this endorsement or to any amendment to or replacement thereof, the provisions of the Coverage Form apply unless modified by this endorsement.

A. Section II - General Liability Coverages is amended by the addition of the following exclusion to Coverage **A. Bodily Injury and Property Damage Liability** and Coverage **B. Personal and Advertising Injury Liability**:

Asbestos Exclusion

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by the actual, alleged or threatened:
 - a. Inhalation of, ingestion of, or physical exposure to "asbestos";
 - b. Use of "asbestos" in construction, or manufacture of any goods, "products" or structures;
 - c. Removal of "asbestos" from any goods, "products", or structures;
 - d. Manufacture, sale, transport, storage, or disposal of "asbestos"; or
 - e. Discharge, dispersal, seepage, migration, release, or escape of "asbestos".

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 "asbestos"; 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 "asbestos".

B. Section V - Definitions is amended by the addition of the following:

"Asbestos" means not only the natural fibrous mineral forms of impure magnesium silicate, but also any material, good, "products" or structure of which it is a part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
EMPLOYMENT PRACTICES ENDORSEMENT

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

SCHEDULE

Limit Of Liability \$	/Each Act \$	/Annual Aggregate
Deductible %		

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This policy is amended by the addition of the following:

A. Coverage

1. We will pay sums an "insured" legally must pay as damages, including punitive damages where insurable by law, because of a "wrongful act" to which this insurance applies. This insurance applies to "wrongful acts" that result from your employment practices.
2. We have the right and duty to defend any "insured" against any "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for a "wrongful act" to which this additional insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the applicable Limit of Liability has been exhausted by the payments of judgments or settlements.
3. Paragraph **E. Supplementary Payments of Section II - General Liability Coverages** applies to the coverage provided by this endorsement, subject to the provisions below in Paragraph **D. Deductible**.
4. **Who Is An Insured**
For the purposes of this endorsement only, the following are "insureds":
 - a. You, the Named Insured;
 - b. If you are an individual, your spouse is also an "insured";

- c. If you are a partnership, your partners and their spouses are "insureds", but only with respect to the conduct of your business;
- d. If you are a limited liability company, your members are "insureds" but only with respect to the conduct of your business;
- e. Your directors and stockholders, but only with respect to the conduct of your business; and
- f. Your executive officers and other "employees" but only with acting within the course and scope of their employment.

Except with respect to the Limit of Liability, the additional insurance provided by this endorsement applies separately to each "insured".

B. Exclusions

The additional insurance provided by this endorsement does not apply to:

1. Any dishonest, malicious, fraudulent, criminal or intentional "wrongful act"; however, this exclusion does not apply to you if such "wrongful act" was committed by your "employees" (other than a partner, director, executive officer or if you are a limited liability company, your member or manager) without the direction or the knowledge of you or your partner, director, executive officer or if you are a limited liability company, your member or manager.
2. Any liability of others assumed by any "insured" under a contract or formal agreement.

3. Any "wrongful act" that includes a "wrongful act" which took place before the effective date of this insurance.
4. "Discrimination" or "harassment" against any person in connection with the administration of your employee benefits program.
5. Expenditures to modify, repair, or replace any workplace or facilities or accommodate the physical or emotional disabilities of any "employee" or prospective "employee".
6. Liability arising out of any strikes, lockouts, downsizing actions, or facility closings.
7. Fines, penalties, assessments or duties imposed by state or federal laws including, but not limited to, the Employment Retirement Income Security Act of 1974, the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Occupational Safety and Health Act, the Americans With Disabilities Act, COBRA, ERISA, Worker's Compensation Act, or any similar laws.

C. Limits Of Liability

The most we will pay under this additional insurance for all damages resulting from:

1. Any one "wrongful act" is the Each Act Limit of Liability.
2. All "wrongful acts" committed during the policy period is the Annual Aggregate Limit of Liability.

Both as indicated in the Schedule.

D. Deductible

1. Our obligation to pay damages, defense costs, and settlement costs will be reduced by a deductible equal to the deductible percentage shown in the Schedule for each "suit" or claim filed against you, multiplied by the total of all damages, defense costs, and settlement costs.
2. The most we will deduct for all damages, defense costs and settlement costs for each claim or "suit" is the deductible percentage multiplied by the Each Act Limit of Liability shown in the Schedule.
3. The terms of this insurance, including those with respect to:
 - a. The available Limits Of Liability;
 - b. Our right and duty to defend the "insured" against any "suit" seeking those damages; and
 - c. Your duties in the event of a claim or "suit"
 Apply irrespective of the application of the deductible.

4. We may pay any part or all of the 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 amount that has been paid by us.

E. Policy Period, Coverage Territory

This endorsement applies to "wrongful acts" occurring while this additional insurance is in effect and only in the United States of America, its territories or possessions, Puerto Rico or Canada.

F. Definitions

1. The following definition replaces the definition in the Auto Dealers Coverage Form and applies only to the coverage provided by this endorsement.

"Suit" means:

- a. (1) A civil proceeding; or
 - (2) An arbitration proceeding or other alternative dispute resolution proceeding to which the "insured" must submit or does submit with our consent

in which covered damages because of a "wrongful act" to which this insurance applies are alleged.

- b. An administrative proceeding by a federal, state, or local governmental entity investigating a "wrongful act".

2. The following definitions apply in addition to the Definitions included in the ADealers Coverage Form and apply to the coverage provided by this endorsement only:

"Discrimination" is to distinguish by discerning or exposing differences based on sex, sexual orientation, age, race, religion, national origin or physical capabilities.

"Harassment" is unwelcome advances, whether verbal or physical, requests for sexual favors and other verbal or physical conduct when:

- a. Submission to such conduct by an individual is made explicitly or implicitly a term or condition of employment.
- b. Submission to, or rejection of such conduct by an "employee" is used as the basis for an employment decision.
- c. Such conduct has the purpose or affect to interfere with an "employees" work performance or creates a hostile or intimidating environment.

"Wrongful act" means one or more of the following employment related offenses:

- a. "Discrimination";
- b. "Harassment"; or
- c. "Wrongful termination".

A single "wrongful act" shall include all conduct, including continuous or repeated exposure to substantially the same generally harmful conduct by an individual or group of individuals, whether directed at an individual or group of individuals.

"Wrongful Termination" is termination of an employment relationship in a manner which is against the law, or in breach of an implied agreement to continue employment. Wrongful termination does not include damages legally owed under an express contract of employment or an express obligation to make payments in the event of the termination of employment.

All other terms and provisions of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

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

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

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

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

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

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

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

"Nuclear facility" means:

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

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

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES - DEFENSE COSTS

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART - LEGAL LIABILITY COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART - MORTGAGEHOLDER'S ERRORS AND OMISSIONS COVERAGE FORM
 ELECTRONIC DATA LIABILITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCT WITHDRAWAL COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 UNDERGROUND STORAGE TANK COVERAGE PART

A. The provisions of Paragraph **B.** are added to all Insuring Agreements that set forth a duty to defend under:

1. Section **I** of the Commercial General Liability, Commercial Liability Umbrella, Electronic Data Liability, Employment-related Practices Liability, Farm, Liquor Liability, Medical Professional Liability, Owners And Contractors Protective Liability, Pollution Liability, Product Withdrawal, Products/Completed Operations Liability, Railroad Protective Liability and Underground Storage Tank Coverage Parts, Auto Dealers Coverage Form and the Farm Umbrella Liability Policy;
2. Section **II** under the Auto Dealers, Business Auto and Motor Carrier Coverage Forms;
3. Section **III** under the Auto Dealers and Motor Carrier Coverage Forms;
4. Section **A.** Coverage under the Legal Liability Coverage Form; and

5. Coverage **C** - Mortgageholder's Liability under the Mortgageholder's Errors And Omissions Coverage Form.

Paragraph **B.** also applies to any other provision in the policy that sets forth a duty to defend.

B. If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that none of the claims ("claims"), for which we provided a defense or defense costs, are covered under this insurance, we have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement under this provision will only apply to the costs we have incurred after we notify you in writing that there may not be coverage and that we are reserving our rights to terminate the defense or the payment of defense costs and to seek reimbursement for defense costs.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 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.

PENNSYLVANIA NOTICE

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 certificates insuring risks located in Pennsylvania.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies the coverage provided under the following Coverage Form(s):

- BUSINESSOWNERS COVERAGE PART
- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS COVERAGE PART

With respect to the coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement. The provisions of this endorsement apply solely to the coverage provided herein, and will not modify or alter coverage contained elsewhere in this policy. If there is a conflict between the Coverage Form and the coverage provided by this endorsement, the provisions of this endorsement shall prevail.

Paragraphs **A., C., D., E. and F.** of **SECTION I - INSURING AGREEMENTS** provide coverage on a claims-made and reported basis and apply only to claims first made against the insured during the policy period and reported to us during the policy period or the "optional extension period" (if applicable).

Paragraphs **B., G., and H.** of **SECTION I - INSURING AGREEMENTS** provide first party coverage on an incident discovered and reported basis and apply only to incidents first discovered and reported to us during the policy period.

SECTION I - INSURING AGREEMENTS

A. Information Security And Privacy Liability

We will pay those sums the insured becomes legally obligated to pay as "damages" and "claims expenses", in excess of the "retention", because of any "claim", including a "claim" for violation of a "privacy law", for:

1. Theft, loss, or "unauthorized disclosure" of "personally identifiable information" or "third party information" that is in the care, custody or control of the "insured organization", or a third party for whose theft, loss or "unauthorized disclosure" of "personally identifiable information" or "third party information" the "insured organization" is legally liable;
2. One or more of the following acts or incidents that directly result from a failure of "computer security" to prevent a "security breach":
 - a. The alteration, corruption, destruction, deletion, or damage to data stored on "computer systems";

- b. The failure to prevent transmission of malicious code from "computer systems" to computer or network systems that are not owned, operated or controlled by an insured; or
- c. The participation by the "insured organization's" "computer system" in a denial of service attack directed against computer or network systems that are not owned, operated or controlled by an insured;
3. The "insured organization's" failure to timely disclose an incident described in paragraphs **A.1.** or **A.2.** in violation of any "breach notice law";
4. Failure by the insured to comply with that part of a "privacy policy" that specifically:
 - a. Prohibits or restricts the "insured organization's" disclosure, sharing or selling of a person's "personally identifiable information";
 - b. Requires the "insured organization" to provide access to "personally identifiable information" or to correct incomplete or

inaccurate “personally identifiable information” after a request is made by a person; or

- c. Mandates procedures and requirements to prevent the loss of “personally identifiable information”;

Provided the “insured organization” must, at the time of such acts, errors or omissions have in force a “privacy policy” that addresses subsections **4a. - 4.c.** above that are relevant to such “claim”; or

- 5. Failure by the insured to administer:
 - a. An identity theft prevention program required by regulations and guidelines promulgated pursuant to 15 U.S.C. §1681m(e), commonly known as the Red Flags Rule, as amended; or
 - b. An information disposal program required by regulations and guidelines promulgated pursuant to 15 U.S.C §1681W, commonly known as the Disposal Rule, as amended.

This insurance applies only if all acts, incidents, failures to timely disclose, failures to comply, thefts, losses, errors or omissions described first take place on or after the retroactive date listed in the Declarations and prior to the end of the “policy period” and are reported to us prior to the end of the “policy period” or any “optional extension period”, if applicable.

B. Privacy Breach Response Services

We will provide to the “insured organization” “privacy breach response services” in excess of the “retention” because of an incident described in Paragraphs 1. or 2. of **SECTION I, A. Information Security And Privacy Liability.**

C. Regulatory Defense And Penalties

We will pay those sums the insured becomes legally obligated to pay as “claims expenses” and “penalties”, in excess of the “retention”, because of any “claim” in the form of a “regulatory proceeding”, caused by an incident described in Paragraphs 1., 2. or 3. of **SECTION I, A. Information Security And Privacy Liability** that first takes place on or after the “retroactive date” and before the end of the “policy period” and is reported to us prior to the end of the “policy period” or any applicable “optional extension period”.

D. Website Media Content Liability

We will pay those sums the insured becomes legally obligated to pay as “damages” and

“claims expenses”, in excess of the “retention”, because of a “claim” resulting from one or more of the following acts committed in the course of the “insured organization’s” display of “media material” on its web site or on social media web pages created and maintained by or on behalf of the “insured organization”:

1. Defamation, libel, slander, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
2. A violation of the rights of privacy of an individual, including false light and public disclosure of private facts;
3. Invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
4. Plagiarism, piracy, misappropriation of ideas under implied contract;
5. Infringement of copyright;
6. Infringement of domain name, trademark, trade name, trade dress, logo, title, metatag, or slogan, service mark, or service name; or
7. Improper deep-linking or framing within electronic content.

This insurance applies only if all acts described first take place on or after the “retroactive date” listed in the Declarations but prior to the end of the “policy period” and are reported to us prior to the end of the “policy period” or any applicable “optional extension period”.

E. PCI Fines, Expenses And Costs

We will indemnify the insured for “PCI Fines, Expenses, and Costs”, in excess of the “retention”, which the insured becomes legally obligated to pay because of a “claim” first made against any insured and reported to us during the “policy period” or any applicable “optional extension period.”

F. Cyber Extortion

We will reimburse the insured for a “claim” resulting in “cyber extortion loss”, in excess of the “retention”, which the insured becomes obligated to pay as a direct result of an “extortion threat” which is first made against the insured on or after the “retroactive date” and before the end of the “policy period” by a person, other than the insured’s employees, directors, officers, principals, trustees, governors, “managers”,

members, management committee members, members of the management board, partners, contractors, outsourcers, or any person in collusion with any of the foregoing. This insurance only applies if such "claim" is reported to us prior to the end of the "policy period" or any applicable "optional reporting period". Coverage under this Insuring Agreement is subject to the applicable conditions and reporting requirements, including those set forth in **SECTION XIV - OBLIGATIONS IN THE EVENT OF AN EXTORTION THREAT**.

G. First Party Data Protection

We will indemnify the insured for "data protection loss" in excess of the "retention", incurred by the insured as a direct result of one or more of the following that first takes place on or after the "retroactive date" and before the end of the "policy period":

1. alteration, corruption, destruction, deletion or damage to a "data asset", or
2. inability to access a "data asset",

and is directly caused by a failure of "computer security" to prevent a "security breach"; provided that such "security breach" must take place on or after the "retroactive date" and before the end of the "policy period".

H. First Party Network Business Interruption

We will indemnify the insured for "business interruption loss", in excess of the "retention", incurred by the insured during the "period of restoration" or the "extended interruption period", if applicable, as a direct result of the actual and necessary interruption or suspension of "computer systems" that first takes place during the "policy period" and is directly caused by a failure of "computer security" to prevent a "security breach"; provided that such "security breach" must first take place on or after the "retroactive date" and before the end of the "policy period".

SECTION II - DEFENSE AND SETTLEMENT OF CLAIMS

A. We shall have the right and duty to defend:

1. Any "claim" against the insured seeking "damages", even if any of the allegations of the "claim" are groundless, false or fraudulent; or
2. Under **SECTION I, C. Regulatory Defense And Penalties**, any "claim" in the form of a "regulatory proceeding".

B. Selection of defense counsel shall be mutually agreed upon between us and the "named insured", but in the absence of such agreement, our decision shall be final.

C. We have no duty to defend any "claim" or pay any "claims expenses" associated with a "claim" brought under **SECTION I, E. PCI Fines, Expenses And Costs**.

D. With respect to any "claim" against the insured seeking "damages" or "penalties", we will pay "claims expenses" incurred with our prior written consent. The Limit of Insurance available to pay "damages" and "penalties" shall be reduced and may be completely exhausted by payment of "claims expenses". "Damages", "penalties", and "claims expenses" will be applied against the each "claim retention" payable by the insured.

E. If the insured refuses to consent to any settlement or compromise recommended by us and acceptable to the claimant and elects to contest the "claim", our liability for any "damages", "penalties" and "claims expenses" shall not exceed the lesser of:

1. The amount for which the "claim" could have been settled, less the remaining "retention", plus the "claims expenses" incurred up to the time of such refusal; or
2. The applicable Limit of Insurance.

We have the right to withdraw from further defense by tendering control of said defense to the insured. The portion of any proposed settlement or compromise that requires the insured to cease, limit or refrain from actual or alleged infringing or otherwise injurious activity or is attributable to future royalties or other amounts that are not "damages" (or "penalties" for "claims" covered under **SECTION I, C. Regulatory Defense And Penalties**) will not be considered in determining the amount for which a "claim" could have been settled.

SECTION III - WHO IS AN INSURED

A. Whether expressed in singular or plural, insured shall mean:

1. The "named insured" and any "subsidiaries" of the "named insured" (together the "insured organization");
2. A director, manager of a limited liability company ("manager") or officer of the "insured organization", but only with respect to the performance of their duties as such on behalf of the "insured organization".

3. An "employee" or "volunteer worker" of the "insured organization", but only for work done while acting within the scope of their employment and related to the conduct of the "insured organization's" business;
4. A principal if the "named insured" is a sole proprietorship, or a partner if the "named insured" is a partnership, but only with respect to the performance of their duties as such on behalf of the "insured organization";
5. Any person who previously qualified as an insured under Paragraphs **A.** or **B.** of **SECTION III - WHO IS AN INSURED** prior to the termination of the required relationship with the "insured organization", but only with respect to the performance of their duties as such on behalf of the "insured organization".

SECTION IV - EXCLUSIONS

This insurance does not apply to any "claim" or "loss":

- A.** Arising out of or resulting from any contractual liability or obligation, or arising out of or resulting from a breach of contract or agreement either oral or written. However, this exclusion will not apply:
 1. Only with respect to the coverage provided pursuant to Paragraph **1.** of **SECTION I, A. Information Security And Privacy Liability**, to any obligation of the "insured organization" to maintain the confidentiality or security of "personally identifiable information" or of "third party information";
 2. Only with respect to Paragraph **4.** of **SECTION I, D. Website Media Content Liability**, for misappropriation of ideas under implied contract; or
 3. To the extent the insured would have been liable in the absence of such contract or agreement;
- B.** Arising out of or resulting from any liability or obligation under a "merchant services agreement"; however, this exclusion does not apply to:
 1. "PCI Fines, Expenses, and Costs" covered under **SECTION I, E. PCI Fines, Expenses, and Costs**; or
 2. "Computer expert services" or "legal services" covered under **SECTION I, B. Privacy Breach Response Services**.
- C.** Arising out of or resulting from any actual or alleged false, deceptive or unfair trade practices;

however, this exclusion does not apply to:

1. Any "claim" covered under Paragraphs **1.**, **2.**, or **3.** of **SECTION I, A. Information Security And Privacy Liability** or **SECTION I, C. Regulatory Defense and Penalties**; or
 2. The providing of "privacy breach response services" covered under **SECTION I, B. Privacy Breach Response Services**.
- D.** Arising out of or resulting from:
1. The actual or alleged unlawful collection, acquisition or retention of "personally identifiable information", except as otherwise covered under Paragraph **5.** of **SECTION I, A. Information Security And Privacy Liability**, or other personal information by, on behalf of, or with the consent or cooperation of the "insured organization"; or
 2. The failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of "personally identifiable information";
- This exclusion does not apply to the actual or alleged unlawful collection, acquisition or retention of "personally identifiable information" by a person or entity that is not a "related party" and without the knowledge of the "insured organization".
- E.** Arising out of or resulting from any act, error, omission, incident, failure of "computer security", or "security breach" committed or occurring prior to the inception date of this coverage:
1. If any member of the "control group" of the "insured organization" on or before the inception date of this coverage knew or could have reasonably foreseen that such act, error or omission, incident, failure of "computer security", or "security breach" might be expected to be the basis of a "claim" or "loss"; or
 2. If any insured has given notice of a circumstance, which might lead to a "claim" or "loss", to the insurer of any other policy in force prior to the inception date of this coverage.
- F.** Arising out of or resulting from any related or continuing acts, errors, omissions, incidents or events, where the first such act, error, omission, incident or event was committed or occurred prior to the "retroactive date."
- G.** Arising out of or resulting from any actual or alleged theft of or "unauthorized disclosure" of

data; under Paragraph 2. of **SECTION I, A. Information Security And Privacy Liability**

- H. In connection with or resulting from a "claim" brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, or any other state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity; provided, this exclusion shall not apply to an otherwise covered "claim" under **SECTION I, C. Regulatory Defense and Penalties** or to the providing of "privacy breach response services" under **SECTION I, B. Privacy Breach Response Services** to the extent such services are legally required to comply with a "breach notice law";
- I. Arising out of or resulting from a "claim" by or on behalf of one or more insureds under this coverage against any other insured or insureds under this coverage; provided this exclusion shall not apply to an otherwise covered "claim" under Paragraphs 1., 2., or 3. of **SECTION I, A. Information Security And Privacy Liability** made by a current or former "employee" of the "insured organization";
- J. Arising out of or resulting from:
1. Any "claim" made or "loss" sustained by any "subsidiary" prior to such entity becoming a "subsidiary";
 2. Any "claim" made by any business enterprise in which any insured has greater than a fifteen percent (15%) ownership interest or made by any parent company or other entity which owns more than fifteen percent (15%) of the "named insured's" business; or
 3. The insured's activities as a trustee, partner, member, "manager", officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the "insured organization";
- K. Arising out of or resulting from:
1. The actual or alleged obligation to make licensing fee or royalty payments;
 2. Any costs or expenses incurred or to be incurred by the insured or others for the reprinting, reposting, recall, removal or disposal of any "media material" or any other information, content or media, including any media or products containing such "media material", information, content or media;
3. Any "claim" brought by or on behalf of any intellectual property licensing bodies or organizations;
 4. The actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services, cost guarantees, cost representations, or contract price estimates, the authenticity of any goods, products or services, or the failure of any goods or services to conform with any represented quality or performance;
 5. Any actual or alleged gambling, contest, lottery, promotional game or other game of chance; or
 6. Any "claim" made by or on behalf of any independent contractor, joint venture or venture partner arising out of or resulting from disputes over ownership of rights in "media material" or services provided by such independent contractor, joint venture or venture partner;
- L. With respect to **SECTION I, F. Cyber Extortion, G. Data Protection Loss** and **H. Business Interruption Loss** arising out of or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any "security breach", "extortion threat", or intentional or knowing violation of the law, if committed by any member of the "control group" or any person in participation or collusion with any member of the "control group";
- M. With respect to **SECTION I, G. Data Protection Loss** and **H. Business Interruption Loss**, arising out of or resulting from:
1. Any failure or malfunction of electrical or telecommunications infrastructure or services, provided that this exclusion does not apply to any otherwise covered "claim" or "loss" arising out of a failure of "computer security" to prevent a "security breach" that was solely caused by a failure or malfunction of telecommunications infrastructure or services under the insured's direct operational control;
 2. Fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event; or
 3. Any satellite failures.

N. With respect to **SECTION I, F. Cyber Extortion** arising out of or resulting from:

1. any threat to physically harm or kidnap any person; or
2. any threat to harm, take, or transfer property other than any "data asset", even if such threat is made in conjunction with a threat to a "data asset" or by carrying out such threat to, harm, theft, or transfer, a "data asset" may be damaged, corrupted, altered, taken, disseminated or transferred;

O. Arising out of or resulting from any seizure, nationalization, confiscation, or destruction of "computer systems" or "data assets" by order of any governmental or public authority;

P. Arising out of or resulting from, directly or indirectly occasioned by, happening through or in consequence of: war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

SECTION V - LIMITS OF INSURANCE

A. The Limits of Insurance shown in the Declarations and the rules below determine the most we will pay regardless of the number of:

1. Insureds;
2. "Claims" made or "suits" brought; or
3. Persons or organizations making "claims" or bringing "suits".

B. The Cyber Liability Aggregate Limit of Insurance set forth in the Declarations is the most we will pay for the sum of all "damages", "penalties", "PCI Fines, Expenses, and Costs", "crisis management and public relations expenses", "cyber extortion loss", "data protection loss", "business interruption loss" and "claims expenses" payable under this coverage.

C. The following are part of, not in addition to, the Cyber Liability Aggregate Limit of Insurance:

1. The Regulatory Defense and Penalties Sublimit is the most we will pay for all "claims expenses" and "penalties" under **SECTION I, C. Regulatory Defense and Penalties**;
2. The "PCI Fines, Expenses, and Costs" Sublimit is the most we will pay for all "PCI Fines, Expenses, and Costs" under **SECTION I, E. PCI Fines, Expenses, and Costs**;

3. The "Cyber Extortion" Sublimit is the most we will pay for all "claims" under **SECTION I, F. Cyber Extortion**;

4. The "First Party Data Protection" Sublimit is the most we will pay for all "data protection loss" under **SECTION I, G. First Party Data Protection**; and

5. The "First Party Network Business Interruption" Sublimit is the most we will pay for all "business interruption loss" under **SECTION I, H. First Party Network Business Interruption**.

D. We shall not be obligated to pay any "damages", "penalties", or "claims expenses", or to undertake or continue defense of any "suit" or proceeding after the Cyber Liability Aggregate Limit of Insurance has been exhausted by payment of "damages", "penalties", "PCI Fines, Expenses and Costs", "crisis management and public relations expenses", "cyber extortion loss", "data protection loss", "business interruption loss" or "claims expenses", or after deposit of such payments in a court of competent jurisdiction. Upon such payment, we shall have the right to withdraw from further defense of any "claim" under this coverage by tendering control of said defense to the insured.

E. The following Privacy Breach Response Services Limits of Insurance are separate from and in addition to the Cyber Liability Aggregate Limit of Insurance:

1. The Number of "Notified Individuals" limit stated in the Declarations is the maximum total number of "notified individuals" to whom notification will be provided or attempted for all incidents or series of related incidents giving rise to an obligation to provide "notification services", "call center services" or "breach resolution and mitigation services"; and

2. The "Computer Expert Services", "Legal Services, and "Public Relations and Crisis Management Services" Limit is the most we will pay for the sum of all "computer expert services", "legal services" and "public relations and crisis management services" combined.

F. If the total number of notifications made pursuant to Paragraph 3. of **SECTION I, B. Privacy Breach Response Services** exceeds the Number of "Notified Individuals" limit stated in the Declarations, the "insured organization" will be responsible for paying for "privacy breach response services" with respect to any excess

notification, and such costs will not be covered under this coverage. If an incident involves notifications made pursuant to Paragraph 3. of **SECTION I, B. Privacy Breach Response Services** both within the Number of "Notified Individuals" limit and in excess of such limit, all excess notifications will be provided by the same service provider that provides "notification services" covered under this coverage, and the costs will be allocated between us and the "insured organization" pro rata based on the number of covered and non-covered notifications.

- G. Unless otherwise specified in this coverage, "privacy breach response services" will be provided by a service provider selected by us from the service providers listed in the "information packet".
- H. To the extent that costs to provide "privacy breach response services" are covered pursuant to a "claim" described in Paragraph D.4. of **SECTION XV - DEFINITIONS**, such costs shall be covered solely under **SECTION I, A. Information Security and Privacy Liability**.

SECTION VI - RETENTION

- A. The Cyber Liability and Data Breach Response Retention - Each "Claim" amount set forth in the Declarations applies separately to each incident, event or related incidents or events, giving rise to a "claim". The "retention" shall be satisfied by monetary payments by the "named insured" of "damages", "claims expenses", "crisis management and public relations expenses", "penalties", "cyber extortion loss", "data protection loss", "business interruption loss", or "PCI Fines, Expenses and Costs".
- B. There is no "retention" applicable to "Notification Services", "Call Center Services" and "Breach Resolution and Mitigation Services".
- C. With respect to **Section I, H. First Party Network Business Interruption**, the "retention" applies separately to each "business interruption loss". The "retention" shall be as follows:
 - 1. With respect to "income loss", the "retention" shall be the greater of:
 - a. The amount of any payments within the "retention" for covered "loss" under **Insuring Agreement H.** made in accordance with Paragraph **A.** of **Section VI., Retention**; or
 - b. The amount of "income loss" during the "waiting period".

- 2. With respect to "extra expense", the "retention" shall be the amount specified in the Declarations, provided that the "retention" for "extra expense" shall be reduced on a dollar-for-dollar basis (up to the amount stated in the Declarations) by the amount of "income loss" in excess of the applicable "income loss" "retention".
- D. For all "computer expert services", "legal services", and "public relations and crisis management services", the Privacy Breach Response Services Retention - Each "Claim" amount set forth in the Declarations applies separately to each incident, event or related incidents or events, giving rise to an obligation to provide such services; where such amount shall be satisfied by monetary payments by the "named insured" for such services.
- E. In the event that "damages", "claims expenses", "penalties" or "PCI Fines, Expenses and Costs" arising out of a "claim" are subject to more than one "retention", the applicable "retention" amounts shall apply to such "damages", "claims expenses", "penalties" or "PCI Fines, Expenses and Costs", provided that the sum of such "retention" amounts shall not exceed the largest applicable "retention" amount.
- F. Satisfaction of the applicable "retention" is a condition precedent to the payment by us of any amounts or providing of any services hereunder, and we shall be liable only for the amounts in excess of such "retention" subject to our total liability not exceeding the "policy aggregate limit" or Limits of Coverage for "privacy breach response services" set forth in the Declarations. The "named insured" shall make direct payments within the "retention" to appropriate other parties designated by us.
- G. We may pay any or all of the "retention" 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 "retention" amount as has been paid by us.

SECTION VII - OPTIONAL EXTENSION PERIOD

- A. We will provide an "optional extension period" as described below in the event of the termination of this coverage for any reason except the non-payment of premium.
- B. The "optional extension period" does not extend the "policy period" or change the scope of the coverage provided.
- C. A "claim" first made against any insured and reported to us during the "optional extension

period" will be deemed to have been made on the last day of the policy period provided that the "claim" is for any act, error, or omission committed on or after the "retroactive date" and before the end of the "policy period".

- D. Coverage provided by the "optional extension period" is part of, and not in addition to, the applicable limits of insurance for the "policy period" contained in **SECTION V - LIMITS OF INSURANCE**. The purchase of the "optional extension period" does not in any way increase or reinstate these limits.
- E. The "optional extension period" does not apply to **SECTION I, B. Privacy Breach Response Services**.
- F. You must give us a written request for the "optional extension period" within sixty (60) days after the end of the policy period or the effective date of cancellation, whichever comes first. Payment of the full additional premium for the "optional extension period" endorsement is due within sixty (60) days of the termination of this coverage. If notice of election and payment for the "optional extension period" is not given to us within such sixty (60) day period, there shall be no right to purchase the "optional extension period".
- G. At the commencement of the "optional extension period", the entire premium shall be deemed earned and, in the event the "named insured" terminates the "optional extension period" for any reason prior to its natural expiration, we will not be liable to return any premium paid for the "optional extension period".

SECTION VIII - NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

- A. If any "claim" is made against the insured, the insured shall forward as soon as practicable to us written notice of such "claim" in the form of a facsimile, express or certified mail together with every demand, notice, summons or other process received by the insured or the insured's representative.
- B. With respect to **SECTION I, B. Privacy Breach Response Services**, for a legal obligation to comply with a "breach notice law" because of an incident described in Paragraph 1. or 2. of **SECTION I, A. Information Security And Privacy Liability**, such incident or reasonably suspected incident must be reported as soon as practicable during the "policy period" after discovery by the insured.

- C. If, during the "policy period", the insured becomes aware of any circumstance that could reasonably be the basis for a "claim", it may give written notice to us in the form of a facsimile, email or express or certified mail as soon as practicable during the "policy period". Such a notice must include:

1. The specific details of the act, error, omission, or "security breach" that could reasonably be the basis for a "claim";
2. The injury or damage which may result or has resulted from the circumstance; and
3. The facts by which the insured first became aware of the act, error, omission or "security breach".

Any subsequent "claim" made against the insured arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to us.

An incident or reasonably suspected incident reported to us during the "policy period" and in conformance with Paragraph B. of **SECTION VIII - NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM** shall also constitute notice of a circumstance under this Paragraph C.

- D. A "claim" or legal obligation under Paragraphs A. or B. of **SECTION VIII - NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM** shall be considered to be reported to us when written notice is first received by us in the form of a facsimile, email or express or certified mail or email of the "claim" or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a "claim" if provided in compliance with Paragraph C. of **SECTION VIII - NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM**.
- E. With respect to **SECTION I, H. First Party Network Business Interruption**, the insured shall forward immediately to us written notice of the interruption or suspension of "computer systems" to which this coverage applies in the form of a facsimile, email or express mail. Such notice must be provided during the "policy period", or no later than ten (10) days after the end of the "policy period" for interruptions or suspensions occurring within ten (10) days of the end of the "policy period"; provided, all covered "business interruption loss" must be reported to us (in accordance with **SECTION XIII - Proof of**

Loss and Appraisal) no later than six (6) months after the end of the "policy period".

SECTION IX - OTHER INSURANCE

The insurance provided under this coverage is excess over any other valid and collectible insurance available to any insured, including any self-insured "retention" or deductible portion thereof unless such other insurance is written only as specific excess insurance over the "policy aggregate limit of liability" or any other applicable Limit of Liability of this coverage. However, if there is an overlap between the coverage provided by this endorsement and elsewhere in any policy issued by us, the coverage provided by this endorsement will be primary with respect to such coverage.

SECTION X - NAMED INSURED AS AGENT

The "named insured" shall be considered the agent of all insureds and shall act on behalf of all insureds with respect to the giving of or receipt of all notices pertaining to this coverage and the acceptance of any modifications. With respect to **SECTION I, G - Cyber Extortion**, in the event of an "extortion threat" to which this insurance applies, the insured shall notify us immediately upon receipt of any "extortion threat", and shall thereafter also provide written notice by facsimile, email or express mail within five (5) days following the "extortion threat".

SECTION XI - CONDITIONS APPLICABLE TO PRIVACY BREACH RESPONSE SERVICES AND COVERAGE

A. With respect to **Section I, H. First Party Network Business Interruption**, the insured must forward written notice by express mail, email or facsimile to us immediately upon discovery of alteration, corruption, destruction, deletion or damage to or inability to access a "data asset" to which this insurance applies. All covered "data protection loss" must be discovered and reported (in accordance with Paragraph XII. **Proof and Appraisal of Loss** below) to us no later than six (6) months after the end of the "policy period".

B. **Insuring Agreements A., C., D., G. and H.** only apply if:

1. The "insured organization" initiates the notification services described in Paragraph 3. of **SECTION I, B. Privacy Breach Response Services** as soon as practicable after the insured's discovery of the "claim";
2. The "claim" is made against the insured no later than two years after the "insured organization" initiates the notification services described in Paragraph 3. of

Section I, B. Privacy Breach Response Services; and

3. The insured reports the "claim" to us in writing as soon as practicable.

SECTION XII - PROOF AND APPRAISAL OF LOSS

A. Proof of Loss. With respect to **Section I, G. Data Protection Loss** and **H. Business Interruption**, before coverage will apply, the insured must:

1. Prepare and submit to us a written and detailed proof of loss sworn by an officer of the "named insured" within ninety (90) days after the insured discovers a "data protection loss" or the "insured organization" sustains a "business interruption loss" (as applicable), but in no event later than six (6) months following the end of the "policy period" (unless such period has been extended by our written consent). Such proof of loss shall include a narrative with full particulars of such "data protection loss" or "business interruption loss", including, the time, place and cause of the "data protection loss" or "business interruption loss", a detailed calculation of any "data protection loss" or "business interruption loss", the "insured organization's" interest and the interest of all others in the property, the sound value thereof and the amount of "data protection loss" or "business interruption loss" or damage thereto and all other insurance thereon; and
2. Upon our request, submit to an examination under oath and provide copies of the underlying documents, data and materials that reasonably relate to or are part of the basis of the claim for such "data protection loss" or "business interruption loss".

The costs and expenses of preparing and submitting a proof of loss, and establishing or proving "data protection loss", "business interruption loss" or any other "loss" under this insurance shall be the insured's obligation, and are not covered under this insurance.

B. Appraisal of Loss. If we do not agree with the insured on the amount of a "loss", each party shall select and pay an appraiser or other qualified expert (the "Appraiser") to state the amount of the loss or reasonable expenses, and the Appraisers shall choose an umpire. If the Appraisers cannot agree on an umpire, the "named insured" or we may request a judge of a court having jurisdiction to make the selection. Each Appraiser shall submit the amount of the "loss" or reasonable expenses to the umpire, and agreement by the

umpire and at least one of the Appraisers as to the amount of a "loss" shall be binding on all Insureds and us. The "named insured" and we will equally share the costs of the umpire and any other costs other than the cost of the Appraisers. This provision shall govern only the appraisal of the amount of a "loss", and shall not control the determination of whether such "loss" is otherwise covered by this insurance. We will still retain and do not waive their rights to deny coverage or enforce any obligation under this insurance.

SECTION XIII - RECOVERED PROPERTY

If the insured or we recover any property, money or "data assets" after a loss payment is made, the party making the recovery must give prompt notice of the recovery to the other party. If the recovered property is money or other funds, the recovery shall be applied first to any costs incurred by us in recovering the property, second to loss payments made by us, and third to any "retention" payment made by the "named insured". If property other than money or funds is recovered, then the "named insured" may keep the recovered property and return the loss payment, plus the any costs of recovery incurred by us, or keep the loss payment less the costs of recovery incurred by us and transfer all rights in the property to us.

SECTION XIV - OBLIGATIONS IN THE EVENT OF AN EXTORTION THREAT

A. Insured's Duty of Confidentiality

The insured shall use its best efforts at all times to ensure that knowledge regarding the existence of this insurance for "cyber extortion loss" afforded by this insurance is kept confidential. We may terminate the insurance provided by this policy for "cyber extortion loss" upon ten (10) days written notice to the "named insured" if the existence of insurance for "cyber extortion loss" provided by this insurance becomes public knowledge or is revealed to a person making an "extortion threat" through no fault of ours.

B. Insured Organization's Obligation to Investigate Extortion Threat and Avoid or Limit Extortion Payment

Prior to the payment of any "extortion payment", the insured shall make every reasonable effort to determine that the "extortion threat" is not a hoax, or otherwise not credible. The insured shall take all steps reasonable and practical to avoid or limit the payment of an "extortion payment".

C. Conditions Precedent

As conditions precedent to this insurance for "cyber extortion loss" under the terms of this insurance:

1. Insured's Obligation to Demonstrate Duress

The insured must be able to demonstrate that the "extortion payment" was surrendered under duress.

2. Notification of Police

The insured must allow us or their representative to notify the police or other responsible law enforcement authorities of any "extortion threat".

SECTION XV - DEFINITIONS

A. "Breach notice law" means any statute or regulation that requires notice to persons whose "personally identifiable information" was accessed or reasonably may have been accessed by an unauthorized person.

B. "Breach resolution and mitigation services" means a credit monitoring, identity monitoring or other solution selected from the products listed in the "information packet" and offered to "notified individuals". The product offered to "notified individuals" will be selected by us in consultation with the "insured organization" and in accordance with the "information packet".

The product offer will be included in the communication provided pursuant to Paragraph **3.** of **SECTION I, B. Privacy Breach Response Services.**

C. "Business interruption loss" means the total of:

1. "Income loss" and "extra expense" during the "period of restoration", and
2. "Extended income loss" if the "income loss" during the "period of restoration" is in excess of the applicable "retention".

Provided that "business interruption loss" shall not mean and **SECTION I, H. First Party Network Business Interruption** shall not cover any of the following: "loss" arising out of any liability to any third party for whatever reason; legal costs or legal expenses of any type; "loss" incurred as a result of unfavorable business conditions, loss of market or any other consequential loss; or costs or expenses the "insured organization" incurs to identify and remove software program errors or vulnerabilities.

All "business interruption loss" resulting from multiple covered interruptions or suspensions of "computer systems" that arise out of the same or a continuing "security breach", from related or repeated "security breaches", or from multiple "security breaches" resulting from a failure of "computer security" shall be deemed to be a single "business interruption loss"; provided, however, that a separate "waiting period" shall apply to each "period of restoration".

- D. "Call center services" means the provision of a call center to answer calls during standard business hours for a period of ninety (90) days following notification (or longer if required by applicable law or regulation) of an incident for which notice is provided pursuant to **SECTION I, B. Privacy Breach Response Services** (Notification Services).

"Call center services" will be provided by a service provider selected by us in consultation with the "insured organization" for the list of service providers in the "information packet".

- E. "Claim" means:

1. A written demand received by any "insured" for money or services; including service of a "suit" or institution of regulatory or arbitration proceedings;
2. With respect to coverage provided under **SECTION I, C. Regulatory Defense And Penalties** only, institution of a "regulatory proceeding" against any insured;
3. A written request or agreement to toll or waive a statute of limitations relating to a potential "claim" described in Paragraph 1. above; and
4. With respect to coverage provided under Paragraph 1. of **SECTION I, A. Information Security And Privacy Liability** only, a demand received by any insured to fulfill the "insured organization's" contractual obligation to provide notice of an incident (or reasonably suspected incident) described in Paragraph 1. of **SECTION I, A. Information Security And Privacy Liability** pursuant to a "breach notice law".

Multiple "claims" arising from the same or a series of related or repeated acts, errors, or omissions, or from any continuing acts, errors, omissions, or from multiple "security breaches" arising from a failure of "computer security", shall be considered a single "claim", irrespective of the number of claimants or insureds involved in the "claim". All

such "claims" shall be deemed to have been made at the time of the first such "claim".

- F. "Claims expenses" means:

1. Reasonable and necessary fees charged by an attorney designated pursuant to Paragraph A. of **SECTION II - DEFENSE AND SETTLEMENT OF CLAIMS**;
2. All other reasonable legal costs and expenses resulting from the investigation, adjustment, defense and appeal of a "claim", "suit", or proceeding arising in connection therewith, or circumstance which might lead to a "claim", if incurred by us, or by the insured with the prior written consent of us; and
3. The premium cost for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required in any "claim" against an "insured" provided that we shall have no obligation to appeal or to obtain bonds.

"Claims expenses" do not include any salary, overhead, or other charges by the insured for any time spent in cooperating in the defense and investigation of any "claim" or circumstance that might lead to a "claim", or costs to comply with any regulatory orders, settlements or judgments.

- G. "Computer expert services" means costs for:

1. A computer security expert to determine the existence and cause of an actual or suspected electronic data breach which may require the "insured organization" to comply with a "breach notice law" and to determine the extent to which such information was accessed by an unauthorized person or persons;
2. A Payment Card Industry (PCI) Forensic Investigator that is approved by the PCI Security Standards Council and is retained by the "insured organization" in order to comply with the terms of a "merchant services agreement" to investigate the existence and extent of an actual or suspect compromise of credit card data; and in our discretion, where a computer security expert described in Paragraph 1. above has not been retained, for a computer security expert to provide advice and oversight in connection with the investigation conducted by the PCI Forensic Investigator; and
3. A computer security expert, which amount is part of and not in addition to the combined aggregate limit of coverage for all "computer

expert services”, “legal services”, and “public relations and crisis management expenses” stated in the Declarations to demonstrate the insured’s ability to prevent a future electronic data breach as required by a “merchant services agreement”.

“Computer expert services” will be provided in accordance with the terms and conditions set forth in the “information packet” and will be provided by a service provider selected by the “insured organization” in consultation with us from the list of service providers in the “information packet”.

- H. “Computer security” means software, computer or network hardware devices, as well as the “insured organization’s” written information security policies and procedures, the function or purpose of which is to prevent “unauthorized access or use”, a denial of service attack against “computer systems”, infection of “computer systems” by malicious code or transmission of malicious code from “computer systems”. “Computer security” includes anti-virus and intrusion detection software, firewalls and electronic systems that provide access control to “computer systems” through the use of passwords, biometric or similar identification of authorized users.
- I. “Computer systems” means computers and associated input and output devices, data storage devices, networking equipment, and back up facilities:
1. Operated by and either owned by or leased to the “insured organization”; or
 2. Systems operated by a third party service provider and used for the purpose of providing hosted computer application services to the “insured organization” or for processing, maintaining, hosting or storing the “insured organization’s” electronic data, pursuant to written contract with the “insured organization” for such services.
 3. With respect to **SECTION I, H. Business Interruption Loss** only, operated by a third party service provider and used for the purpose of providing hosted computer application services to the “insured organization” or for processing, maintaining, hosting or storing the “insured organization’s” electronic data, pursuant to written contract with the “insured organization” for such services, provided such coverage is subject to the sublimit of liability set forth in the Declarations.

- J. “Control group” means the individuals holding the following positions in the “insured organization”:
1. President;
 2. Members of the Board of Directors;
 3. Executive Officers, including the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer; General Counsel, Chief Information Officer, Chief Security Officer, Chief Privacy Officer;
 4. Staff attorneys employed by the “insured organization”;
 5. “Manager”; and
 6. Any individual in a substantially similar position or with substantially similar responsibilities as those referenced above.
- K. “Cyber extortion loss” means:
1. Any “extortion payment” that has been made under duress by or on behalf of the insured with our prior written consent, but solely to prevent or terminate an “extortion threat” and in an amount that does not exceed the covered “damages” and “claims expenses” that would have been incurred had the “extortion payment” not been paid;
 2. An otherwise covered “extortion payment” that is lost in transit by actual destruction, disappearance or wrongful abstraction while being conveyed by any person authorized by or on behalf of the insured to make such conveyance; and
 3. Fees and expenses paid by or on behalf of the insured for security consultants retained with our prior written approval, but solely to prevent or terminate an “extortion threat”.
- L. “Damages” means a monetary judgment, award or settlement; provided that the term “damages” shall not include or mean:
1. Future profits, restitution, disgorgement of unjust enrichment or profits by an insured, or the costs of complying with orders granting injunctive or equitable relief;
 2. Return or offset of fees, charges, or commissions charged by or owed to an insured for goods or services already provided or contracted to be provided;
 3. Any damages which are a multiple of compensatory damages, fines, taxes or loss of tax benefits, sanctions or penalties;

4. Punitive or exemplary damages, unless insurable by law in any applicable venue;
5. Discounts, coupons, prizes, awards or other incentives offered to the insured's customers or clients;
6. Liquidated damages to the extent that such damages exceed the amount for which the insured would have been liable in the absence of such liquidated damages agreement; or
7. Any amounts for which the insured is not liable, or for which there is no legal recourse against the insured.

M. "Data asset" means any software or electronic data that exists in "computer systems" and that is subject to regular back up procedures, including computer programs, applications, account information, customer information, private or personal information, marketing information, financial information and any other information maintained by the "insured organization" in its ordinary course of business.

N. "Data protection loss" means:

1. With respect to any "data asset" that is altered, corrupted, destroyed, deleted or damaged the actual, reasonable and necessary costs and expenses incurred by the insured to restore a "data asset" from back-ups or from originals or to gather, assemble and recollect such "data asset" from other sources to the level or condition in which it existed immediately prior to its alteration, corruption, destruction, deletion or damage; or
2. With respect to any "data asset" that the insured is unable to access, the lesser of the actual, reasonable and necessary costs and expenses incurred by the "insured organization" to:
 - a. Regain access to such "data asset"; or
 - b. Restore such "data asset" from back-ups or originals or gather, assemble and recollect such "data asset" from other sources, to the level or condition in which it existed immediately prior to the insured's inability to access it;

Provided that if such "data asset" cannot reasonably be accessed, restored, gathered, assembled or recollect, then "data protection loss" means the actual, reasonable and necessary costs and expenses incurred by the insured to reach this determination.

Provided further that "data protection loss" shall not exceed, and shall not mean, any amount in excess of the amount by which the net profit before income taxes of the insured would have decreased had the insured failed to restore, gather, assemble or recollect as set forth in sub-paragraphs **N.1.** and **N.2.** above.

A "data protection loss" will be deemed to occur at the time such alteration, corruption, destruction, deletion or damage to or inability to access a "data asset" is first discovered by the insured. All "data protection loss" that arises out of the same or a continuing "security breach", from related or repeated "security breaches", or from multiple "security breaches" resulting from a failure of "computer security" shall be deemed to be a single "data protection loss".

"Data protection loss" does not mean, and there shall be no coverage under **SECTION I, G. First Party Data Protection** for:

1. Costs or expenses incurred by the insured to identify or remediate software program errors or vulnerabilities or update, replace, restore, gather, assemble, reproduce, recollect or enhance a "data asset" or "computer systems" to a level beyond that which existed prior to the alteration, corruption, destruction, deletion or damage of such "data asset";
 2. Costs or expenses to research or develop any "data asset", including but not limited to trade secrets or other proprietary information;
 3. The monetary value of profits, royalties, or lost market share related to a "data asset", including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of the "data asset";
 4. Loss arising out of any liability to any third party for whatever reason; or
 5. Legal costs or legal expenses of any type.
- O.** "Denial of service attack" means an attack intended by the perpetrator to overwhelm the capacity of a "computer system" by sending an excessive volume of electronic data to such "computer system" in order to prevent authorized access to such "computer system".
- P.** "Dependent business" means any third party service provider that provides hosted computer application services to the insured or processes, maintains, hosts or stores the insured's electronic data, pursuant to written contract with the insured for such services.

- Q.** “Extended income loss” means the “income loss” during the “extended interruption period”.
- R.** “Extended interruption period” means the period of time that:
1. Begins on the date and time that the “period of restoration” ends; and
 2. Terminates on the date and time the insured restores, or would have restored if the insured had exercised due diligence and dispatch, the net profit before income taxes that would have been earned by the insured directly through its business operations had the actual and necessary interruption or suspension of “computer systems” not occurred;

Provided that in no event shall the “extended interruption period” mean more than or exceed thirty (30) days.

- S.** “Extortion payment” means cash, marketable goods or services demanded to prevent or terminate an “extortion threat”.
- T.** “Extortion threat” means a threat to breach “computer security” in order to:
1. Alter, destroy, damage, delete or corrupt any “data asset”;
 2. Prevent access to “computer systems” or a “data asset”, including a “denial of service attack” or encrypting a “data asset” and withholding the decryption key for such “data asset”;
 3. Perpetrate a theft or misuse of a “data asset” on “computer systems” through external access;
 4. Introduce “malicious code” into “computer systems” or to third party computers and systems from “computer systems”; or
 5. Interrupt or suspend “computer systems”;

Unless an “extortion payment” is received from or on behalf of the insured.

Multiple related or continuing “extortion threats” shall be considered a single “extortion threat” for purposes of this insurance and shall be deemed to have occurred at the time of the first such “extortion threat”.

- U.** “Extra expense” means:
1. Reasonable and necessary expenses that are incurred by the insured during the

“period of restoration” to minimize, reduce or avoid an “income loss”, provided:

- a. That such expenses are over and above those the insured would have incurred had no interruption or suspension of the “computer systems” occurred; and
 - b. Do not exceed the amount by which the “income loss” in excess of the “retention” and covered under this insurance is thereby reduced; and
2. “Forensic expenses”, subject to the sublimit set forth in the Declarations;

Provided that “extra expense” shall not mean, and there shall be no coverage under **SECTION I, H. Business Interruption Loss** for expenses incurred by the insured to update, upgrade, enhance or replace “computer systems” to a level beyond that which existed prior to the actual and necessary interruption or suspension of “computer systems”; or the costs and expenses incurred by the insured to restore, reproduce, or regain access to any “data asset” that was altered, corrupted, destroyed, deleted, damaged or rendered inaccessible as a result of the failure of “computer security” to prevent a “security breach”.

- V.** “Forensic expenses” means reasonable and necessary expenses incurred by the insured to investigate the source or cause of the failure of “computer security” to prevent a “security breach”.

W. “Income loss” means:

1. The net profit before income taxes that the insured is prevented from earning through its business operations or the net loss before income taxes that the insured is unable to avoid through its business operations as a direct result of the actual and necessary interruption or suspension of “computer systems”; and
2. Fixed operating expenses incurred by the insured (including payroll), but only to the extent that:
 - a. Such operating expenses must necessarily continue during the “period of restoration” (or “extended interruption period”, if applicable); and
 - b. Such expenses would have been incurred by the insured had such interruption or suspension not occurred.

“Income loss” shall be reduced to the extent the insured or “dependent business” (if applicable) is

able, with reasonable dispatch and due diligence, to reduce or limit such interruption or suspension of "computer systems" or conduct its business operations by other means.

In determining "income loss", due consideration shall be given to the prior experience of the insured's business operations before the beginning of the "period of restoration" and to the probable business operations the "insured organization" could have performed had no actual and necessary interruption or suspension occurred as the result of a failure of "computer security" to prevent a "security breach".

"Income loss" will be calculated on an hourly basis based on the insured's net profit (or loss) and fixed operating expenses as set forth above.

- X. "Information packet" means the information packet, which is incorporated into and forms part of this coverage part and which includes a list of service providers who provide "privacy breach response services".
- Y. "Legal services" means fees charged by an attorney:
1. To determine the applicability of and actions necessary for the "insured organization" to comply with "breach notice laws" due to an actual or reasonably suspected theft, loss or "unauthorized disclosure" of "personally identifiable information";
 2. To provide necessary legal advice to the "insured organization" in responding to actual or suspected theft, loss or "unauthorized disclosure" of "personally identifiable information"; and
 3. To advise the "insured organization" in responding to credit card system operating regulation requirements for any actual or suspected compromise of credit card data that is required to be reported to the "insured organization's" merchant bank under the terms of a "merchant services agreement", but "legal services" does not include fees incurred in any actual or threatened legal proceeding, arbitration or mediation, or any advice in responding to credit card system operating regulation in connection with an assessment of "PCI Fines, Expenses, and Costs".

"Legal services" will be provided in accordance with the terms and conditions set forth in this Coverage Part. The "information packet" will be provided by an attorney selected by the "insured organization" in consultation with us,

from the list of attorneys in the "information packet".

- Z. "Loss" means:
1. "Business Interruption Loss"
 2. "Damages";
 3. "Claims Expenses";
 4. "Cyber Extortion Loss";
 5. "Data Protection Loss";
 6. "Crisis Management and Public Relations";
 7. "Penalties";
 8. "PCI Fines, Expenses and Costs"; and
 9. "Privacy Breach Response Services".
- AA. "Malicious code" means any virus, Trojan horse, worm or any other similar software program, code or script intentionally designed to insert itself into computer memory or onto a computer disk and spread itself from one computer to another.
- BB. "Management control" means:
1. Owning, directly or indirectly, more than fifty percent (50%) of the outstanding securities, representing the present right to vote for the election of an entity's directors, members of the board of managers, management committee members or persons serving in a functionally equivalent role for such an entity operating or organization outside of the United States; or
 2. Having the right, pursuant to a written contract or the bylaws, charter, operating agreement or similar documents of an entity to elect, appoint or designate a majority of:
 - a. The Board of Directors of a corporation;
 - b. The Management Committee of a joint venture or partnership;
 - c. The Management Board of a Limited Liability Company; or
 - d. Persons serving in a functionally equivalent role for such an entity operating or organized outside of the United States.
- CC. "Media material" means any information in electronic form, including words, sounds, numbers, images, or graphics and shall include advertising, video, streaming content, web-casting, online forum, bulletin board and chat room content, but does not mean computer software or the actual goods, products or services

described, illustrated or displayed in such "media material".

DD. "Merchant Services agreement" means any agreement between an insured and a financial institution, credit/debit company, credit/debit card processor or independent service operator enabling an insured to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

EE. "Named insured" means the entity or individual shown as the first named insured in the Declarations.

FF. "Notification services" means:

1. Notification by first class mail or e-mail to United States or Canadian residents; and
2. Notification by first class mail or e-mail to individuals residing outside the United States or Canada, but only to the extent reasonably practicable.

"Notification services" will be provided by a service provider selected by us in consultation with the "insured organization" from the list of service providers in the "information packet" and will be provided in accordance with the terms and conditions set forth in the "information packet".

GG. "Notified individual" means an individual person to whom notice is given or attempted to be given under Paragraph 3. of **SECTION I, B. Privacy Breach Response Services** pursuant to a "breach notice law" as defined in Paragraph A. of **SECTION XI - DEFINITIONS**.

HH. "PCI Fines, Expenses and Costs" means the direct monetary fines, penalties, reimbursements, fraud recoveries or assessments owed by the "insured organization" under the terms of a "merchant services agreement", but only where such fines, penalties, reimbursements, fraud recoveries or assessments result both from the "insured organization's" actual or alleged noncompliance with published Payment Card Industry (PCI) Data Security Standards and from a data breach caused by an incident (or reasonably suspected incident) described in Paragraphs 1. and 2. of **SECTION I - A. Information Security And Privacy Liability**; provided, that the term "PCI Fines, Expenses and Costs" shall not include, or mean any charge backs, interchangeable fees, discount fees or prospective service fees.

II. "Penalties" means:

1. Any civil fine or punitive sum of money payable to a governmental entity that was

imposed in a "regulatory proceeding" by the Federal Trade Commission, Federal Communications Commission, or any other federal, state, local or foreign governmental entity, in such entity's regulatory or official capacity; the insurability of "penalties" shall be in accordance with the law in the applicable venue that most favors coverage for such "penalties"; and

2. Amounts which the insured is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a "regulatory proceeding";

"Penalties" does not include:

1. Costs to remediate or improve "computer systems";
2. Costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies;
3. Audit, assessment, compliance or reporting costs; or
4. Costs to protect the confidentiality, integrity and/or security of "personally identifiable information" from theft, loss or disclosure.
5. Payments to charitable organizations or disposition of such funds other than for payment of consumer claims for losses caused by an event covered pursuant to Paragraphs 1., 2., or 3. of **SECTION I, A. Information Security And Privacy Liability**.

JJ. "Personally identifiable information" means:

1. Information concerning the individual that constitutes nonpublic personal information as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant to the Act;
2. Medical or health care information concerning the individual, including protected health information as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulations issued pursuant to the Act.
3. Information concerning the individual that is defined as private personal information under statutes enacted to protect such information in foreign countries, for "claims" subject to the law of such jurisdiction;

4. Information concerning the individual that is defined as private personal information under a "breach notice law";
5. Education records as defined by the Family Educational Rights and Privacy Act (FERPA), which are directly related to an individual's attendance as a student; or
6. The individual's driver's license or state identification number, social security number, unpublished telephone number, and credit, debit, or other financial account numbers in combination with associated security codes, access codes, passwords or pins;

If such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medial record information.

"Personally identifiable information" does not include publicly available information that is lawfully made available to the general public from government records.

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

1. Begins on the specific date and time that the actual and necessary interruption or suspension of "computer systems" first occurred; and
2. Ends on the specific date and time that the actual and necessary interruption or suspension of "computer systems" ends, or would have ended had the insured or "dependent business" (if applicable) acted with due diligence and dispatch;

Provided that in no event shall the "period of restoration" mean more than or exceed thirty (30) days; and provided further that restoration of "computer systems" will not end the "period of restoration" if such systems are actually and necessarily interrupted or suspended again within one hour of such restoration due to the same cause as the original interruption or suspension.

LL. "Policy period" means the period of time between the inception date shown in the "declarations" and the effective date of termination, expiration or cancellation of this "insurance" that specifically excludes any "optional extension period" or any prior policy period or renewal period.

MM. "Privacy breach response services" means:

1. "Computer expert services";
2. "Legal services";

3. "Public relations and crisis management expenses".
4. "Notification services" to provide notification to:
 - a. Individuals who are required to be notified by the "insured organization" under the applicable "breach notice law"; or
 - b. Individuals, who at our discretion, have been affected by an incident in which their "personally identifiable information" has been subject to theft, loss, or "unauthorized disclosure" in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual;

5. "Call center services"; and

6. "Breach resolution and mitigation services"; "Privacy breach response services" also includes assistance from our breach response services team and access to education and loss control information at no charge.

"Privacy breach response services" will be provided subject to the terms and conditions of this endorsement and the "information packet" and shall not include any internal salary or overhead expenses of the "insured organization".

NN. "Privacy law" means a federal, state or foreign statute or regulation requiring the "insured organization" to protect the confidentiality and/or security of "personally identifiable information".

OO. "Privacy policy" means the "insured organization's" public declaration of its policy for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to "personally identifiable information".

PP. "Public relations and crisis management expense" shall mean the following costs approved in advance by us, and which are directly related to mitigating harm to the "insured organization's" reputation or potential "loss" covered by this Coverage Part resulting from an incident described in Paragraphs 1. and 2. of **SECTION I, A. Information Security And Privacy Liability** or from a "public relations event":

1. Costs incurred by a public relations or crisis management consultant;

2. Costs for media purchasing or for printing or mailing materials intended to inform the general public about the incident, such costs to be limited to the amount noted in the Schedule or Declarations Page for **SECTION I, B. Privacy Breach Response Services**;

3. For incidents or events in which notifications services are not otherwise provided pursuant to **SECTION I, A. Information Security And Privacy Liability** and **B. Privacy Breach Response Services**, costs to provide notifications and notices via e-mail or first class mail to customers or patients where such notifications are not required by law (voluntary notifications), including non-affected customers or patients of the "insured organization";

4. Costs to provide government mandated public notices related to breach events, including such notifications required under HIPAA/Health Information Technology for Economic and Clinical Health Act ("HITECH");

5. Costs to provide services to restore healthcare records of "notified individuals" residing in the United States whose "personally identifiable information" was compromised as a result of theft, loss or "unauthorized disclosure"; and

6. Other costs approved in advance by us.

"Public relations and crisis management expenses" must be incurred no later than twelve (12) months following the reporting of such "claim" or breach event to us and, with respect to Paragraphs 1. and 2. above, within ninety (90) days following the first publication of such "claim" or incident. If voluntary notifications are provided, e-mail notification will be provided in lieu of first class mail to the extent practicable.

QQ."Public relations event" means the publication or imminent publication in a newspaper (or other general circulation print publication) or on radio, television or a publically accessible website of a covered "claim" under this Coverage Part.

RR."Regulatory proceeding" means a request for information, civil investigative demand or civil proceeding commenced by service of a compliant or similar proceeding brought by or on behalf of the Federal Trade Commission, Federal Communications Commission, or any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity in connection with such proceeding.

SS."Related party" means the "insured organization" and any past, present or future employees, directors, officers, "managers", partners or natural person independent contractors of the "insured organization".

TT."Retention" means the applicable retention amount as specified in the Declarations.

UU."Retroactive date" means the Cyber Liability and Data Breach Response Retroactive Date specified in the Declarations.

VV."Security breach" means:

1. "Unauthorized access or use of computer systems", including "unauthorized access or use" resulting from the theft of a password from a "computer system" or from any insured;
2. A denial or service attack against "computer systems" or "computer systems" that are not owned, operated or controlled by an insured; or
3. Infection of "computer systems" by malicious code or transmission of malicious code from "computer systems".

A series of continuing "security breaches", related or repeated "security breaches", or multiple "security breaches" resulting from a continuing failure of "computer security" shall be considered a single "security breach" and be deemed to have occurred at the time of the first such "security breach".

WW."Subsidiary" means any corporation, limited liability company, joint venture or partnership while the "named insured" has "management control" over such entity, if the "named insured":

1. had "management control" over such entity on the inception date of this coverage or such entity was an insured under a policy issued by us of which this coverage is a renewal;
2. acquires "management control" after the inception date of this coverage, provided the revenues of the entity do not exceed ten percent (10%) of the "named insured's" annual revenues for the four quarterly periods directly preceding inception of the "policy period"; or
3. acquires "management control" after the inception date of this coverage, provided that if the revenues of the entity exceed ten percent (10%) of the "named insured's" annual revenues for the four quarterly periods directly preceding inception of the

“policy period”, the provisions of Clause XVI.,
Mergers and Acquisitions, must be fulfilled;

provided that this coverage only provides for
acts, errors, omissions, incidents or events that
take place while the “named insured” has
“management control” over such entity.

XX. “Third party information” means any trade secret,
data, design, interpretation, crop data, forecast,
formula, method, practice, credit or debit card
magnetic strip information, process, record,
report or other item of information of a third party
not insured under this endorsement which is not
available to the general public and is provided to
the insured subject to a mutually executed
written confidentiality agreement or which the
“insured organization” is legally required to
maintain in confidence; however, “third party
information” shall not include “personally
identifiable information”.

YY. “Unauthorized access or use” means the gaining
of access to or use of “computer systems” by an
unauthorized person or persons or the use of
“computer systems” in an unauthorized manner”.

ZZ. “Unauthorized disclosure” means the disclosure
of (including disclosure resulting from phishing)
or access to information in a manner that is not
authorized by the “insured organization” and is
without knowledge of, consent, or acquiescence
of any member of the “control group”.

AAA. “Waiting period” means the period of time
beginning when the “period of restoration”
begins and expiring after the elapse of the
number of hours set forth in the Declarations. A
“waiting period” shall apply to each “period of
restoration”.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - INFECTIOUS OR COMMUNICABLE DISEASE

This endorsement modifies the coverage provided under the following:

- COMMERCIAL AUTOMOBILE COVERAGE PART
- COMMERCIAL EXCESS/UMBRELLA COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS COVERAGE PART

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

A. The following exclusion is added:

EXCLUSION - INFECTIOUS OR COMMUNICABLE DISEASE

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual or alleged transmission of an "infectious or communicable disease"; or
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 an "infectious or communicable disease"; 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, an "infectious or communicable disease".
3. 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 an "infectious or communicable disease";

- b. Failure to prevent the spread of an "infectious or communicable disease"; or
- c. Failure to report an "infectious or communicable disease" to authorities.

B. The following definition is added:

"Infectious or communicable disease":

1. Means an illness or contamination resulting from an infectious agent or its by-products that occurs through the direct or indirect transmission by an infected human or animal host, organism or from the inanimate environment to a human or animal host; and
2. Includes, but is not limited to, Acquired Immune Deficiency Syndrome (AIDS); Chronic Wasting Disease (CWD); Ebola; Escherichia coli (E. coli); Hepatitis, Human Immunodeficiency Virus (HIV); Influenza, including, but not limited to, all strains and mutations of avian, human or swine; Measles, Methicillin-resistant Staphylococcus Aureus (MRSA), Salmonellosis; Severe Acute Respiratory Syndrome (SARS); Sexually Transmitted Diseases (STDs); Transmissible Spongiform Encephalopathy (TSE), including Bovine Spongiform Encephalopathy (BSE, or mad cow disease); Tuberculosis and West Nile Virus.



POLICY NUMBER: A0098742005

ERRORS AND OMISSIONS LIABILITY COVERAGE DECLARATION

Sentry Select Insurance Company (A Participating Stock Company) A member of the Sentry Insurance Group 1800 North Point Drive Stevens Point, WI 54481	Producer Richard Rosson 10000258 440-821-8545
---	--

POLICY INFORMATION

First Named Insured: KG Automotive Pittsburgh LLC dba Ken Ganley Toyota
Address: 1110 Clairton Blvd
Pleasant Hills, PA 15236-4560

The Errors and Omissions Liability coverage applies from 02/26/2020 to 02/26/2021 at 12:01 A.M. Standard Time at the First Named Insured's mailing address shown above

COVERAGES

Coverage E Employee Benefits Errors and Omissions

Employee Benefit Aggregate Limit	Each Employee Limit	Each Employee Deductible
\$ 1,000,000	\$ 500,000	\$ 1,000

All Other Errors and Omissions

Coverage A Truth-In-Lending and Truth-In-Leasing
Coverage B Odometer Hour Meter and Prior Damage Disclosure Errors and Omissions
Coverage C Dealership Insurance Agents' Errors and Omissions
Coverage D Title Errors and Omissions

General Aggregate Limit	Per Occurrence Limit	Errors and Omissions Deductible
\$ 500,000	\$ 250,000	\$ 1,000

APPLICABLE FORMS AND ENDORSEMENTS

In addition to the common policy forms and endorsements, the following forms and endorsements apply to the Errors and Omissions Liability Coverage:

Form/Endorsement Number and Edition Date	Form/Endorsement Title
IL 00 21 09 08	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
IL 02 46 09 07	Pennsylvania Changes - Cancellation And Nonrenewal
IL 09 10 07 02	Pennsylvania Notice
PA0001PA 05 11	Pennsylvania Changes - Defense Costs
PF000100 02 11	Errors And Omissions Coverage Form

ERRORS AND OMISSIONS 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 VI - Definitions**.

Section I - Coverages

Only those coverages indicated in the Declarations apply.

Coverage A. Truth-In-Lending And Truth-In-Leasing Errors And Omissions

1. Insuring Agreement

a. We will pay sums an "insured" legally must pay as "damages" arising from negligent errors or omissions which result in civil violation of:

(1) Any federal, state, or local Truth-In-Leasing statute; or

(2) Any federal, state, or local Truth-In-Lending statute.

b. The amount we will pay for "damages" is limited as described in **Section III - Limits Of Insurance**.

c. We have the right and duty to defend the "insured" against any "suit" seeking "damages" to which this coverage applies or to investigate or settle any claim or "suit" for these "damages". However, we have no duty to investigate, defend the "insured" against or settle a claim or "suit" not covered by this insurance. Our payment of the Limit Of Insurance ends our duty to investigate, defend or settle.

2. Exclusions

This coverage does not apply to:

a. "Bodily injury", "property damage" or "personal and advertising injury";

b. Loss, claims or "suits" arising from:

(1) Dishonest, malicious, fraudulent, criminal, or intentional acts or omissions; however, this exclusion does not apply to you if such act or omission was committed by your "employee" (other than a partner if you are a partnership, member or manager if you are a limited liability company, director, or "executive officer"), without your direction or your knowledge; or

(2) Liability of others assumed by an "insured" under a contract or agreement.

Coverage B. Odometer Hour Meter And Prior Damage Disclosure Errors And Omissions

1. Insuring Agreement

a. We will pay sums an "insured" legally must pay as "damages" arising from:

(1) Negligent errors or omissions which result in civil violation of any federal, state or local statute regarding:

(a) Accurate odometer or hour meter readings;

(b) Disclosure of prior damage; or

(c) Used car disclosure or aftermarket automotive parts disclosure.

(2) Inaccurate hour meter disclosures due to:

(a) Mechanical failure of an hour meter;

(b) Anyone other than an "insured" tampering with an hour meter or otherwise misrepresenting an hour meter reading; or

(c) Negligent errors or omissions by an "insured".

b. The amount we will pay for "damages" is limited as described in **Section III - Limits Of Insurance**.

c. We have the right and duty to defend the "insured" against any "suit" seeking "damages" to which this coverage applies or to investigate or settle any claim or "suit" for these "damages". However, we have no duty to investigate, defend the "insured" against or settle a claim or "suit" not covered by this insurance. Our payment of the Limit of Insurance ends our duty to investigate, defend or settle.

ERRORS AND OMISSIONS COVERAGE FORM - CONTINUED

2. Exclusions

This coverage does not apply to:

- a. "Bodily injury", "property damage" or "personal and advertising injury";
- b. Loss, claims or "suits" arising out of:
 - (1) Dishonest, malicious, fraudulent, criminal or intentional acts or omissions committed or permitted by:
 - (a) You the Named Insured;
 - (b) Your partners (if you are a partnership), members (if you are a joint venture), members or managers (if you are a limited liability company), "executive officers", your "employees" or your agents; or
 - (c) Any other "insured".
 - (2) Liability of others assumed by an "insured" under a contract or agreement.

Coverage C. Dealership Insurance Agents' Errors And Omissions

1. Insuring Agreement

- a. We will pay sums an "insured" legally must pay as "damages" arising from negligent errors or omissions committed by an "insured" while acting as an "insurance agent" selling in the conduct of your business:
 - (1) Credit life Insurance;
 - (2) Credit accident and health insurance; or
 - (3) Credit physical damage insurance.
- b. The amount we will pay for "damages" is limited as described in **Section III - Limits Of Insurance**.
- c. We have the right and duty to defend the "insured" against any "suit" seeking "damages" to which this coverage applies or to investigate or settle any claim or "suit" for these "damages". However, we have no duty to investigate, defend the "insured" against, or settle a claim or "suit" not covered by this insurance. Our payment of the Limit of Insurance ends our duty to investigate, defend or settle.

2. Exclusions

This coverage does not apply to:

- a. "Bodily injury", "property damage" or "personal and advertising injury";
- b. Loss, claims or "suits" arising out of:
 - (1) An "insured's" willful violation of:
 - (a) An "insured's" contract with an insurer; or

(b) Any law, regulation or directive of a state or regulatory authority;

- (2) Dishonest, malicious, fraudulent, criminal or intentional acts or omissions; however, this exclusion does not apply to you if such act or omission was committed by your "employee" (other than a partner if you are a partnership, member or manager if you are a limited liability company, director, or "executive officer"), without your direction or your knowledge; or
- (3) Liability of others assumed by any "insured" under a contract or agreement.

Coverage D. Title Errors And Omissions

1. Insuring Agreement

- a. We will pay sums an "insured" legally must pay as "damages" arising from negligent errors or omissions committed by an "insured" during "title paper preparation" in the conduct of your business. However, this additional insurance applies only if the lienholder(s) or legal owner(s) make claim or bring "suit" against the "insured" for "damages" resulting from the "insured's" error or omission in the title registration.
- b. The amount we will pay for "damages" is limited as described in **Section III - Limits Of Insurance**.
- c. We have the right and duty to defend the "insured" against any "suit" seeking "damages" to which this coverage applies or to investigate or settle any claim or "suit" for these "damages". However, we have no duty to investigate, defend the "insured" against or settle a claim or "suit" not covered by this insurance. Our payment of the Limit of Insurance ends our duty to investigate, defend or settle.

2. Exclusions

This coverage does not apply to:

- a. "Bodily injury", "property damage" or "personal and advertising injury";
- b. Loss arising out of:
 - (1) Dishonest, malicious, fraudulent, criminal, or intentional acts or omissions; however, this exclusion does not apply to you if such act or omission was committed by your "employee" (other than a partner if you are a partnership, member or manager if you are a limited liability company, director, or "executive officer"), without your direction or your knowledge; or

ERRORS AND OMISSIONS COVERAGE FORM - CONTINUED

- (2) Liability of others assumed by any "insured" under a contractor agreement.

Coverage E. Employee Benefit Liability Errors And Omissions

1. Insuring Agreement

- a. We will pay sums an "insured" legally must pay as "damages" arising from negligent errors or omissions in the "administration" of your "employee benefits" committed by:

- (1) An "insured"; or
(2) Any other person for whose acts or omissions an "insured" is legally liable.

- b. The amount we will pay for "damages" is limited as described in **Section III - Limits Of Insurance**.

- c. We have the right and duty to defend the "insured" against any "suit" seeking "damages" to which this coverage applies or to investigate or settle any claim or "suit" for these "damages". However, we have no duty to investigate, defend the "insured" against or settle a claim or "suit" not covered by this insurance. Our payment of the Limit of Insurance ends our duty to investigate, defend or settle.

2. Exclusions

This coverage does not apply to:

- a. "Bodily injury", "property damage" or "personal and advertising injury";
b. Loss, claims, or "suits" arising out of:
(1) Libel, slander, discrimination or humiliation committed by an "insured";
(2) Liability assumed by the "insured" under any contract or agreement;
(3) Failure of performance of a contract by any insurer or other fiduciary entrusted with monies intended to fund "employee benefits";
(4) Insufficiency of funds to meet any obligation under any "employee benefits";
(5) Inadequacy of performance of investment; errors in providing information on past performance of investment vehicles or advice given with respect to participation; or
(6) Advice given to any person to participate or not to participate in any plan included in your "employee benefits" plan;

- (7) Your failure to establish "employee benefits" in compliance with the mandatory provisions of any law governing workers' compensation, unemployment insurance, social security or disability benefits or to similar state or federal laws;

- (8) Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law;

- (9) Employment-Related Practices - "Damages" arising out of wrongful termination of employment, discrimination, or other employment-related practices.

- (10) Liability based on:

- (a) Medical malpractice of any physician or surgeon;
(b) Dishonest, fraudulent, criminal, or malicious acts or omissions committed by any "insured";
(c) The Employee Retirement Income Security Act of 1974 or any amendment thereof;
(d) Circumstances of which you were aware, or should have been aware, at the inception of this insurance.

Supplementary Payments

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:

1. All expenses we incur.
2. The cost of bonds to release attachments in any "suit" we defend, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
3. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
4. All costs taxed against the "insured" in any "suit" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
5. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.
6. Prejudgment interest awarded against the "insured" on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

ERRORS AND OMISSIONS COVERAGE FORM - CONTINUED

Section II - Who Is An Insured

1. Coverages A. through D.

The following are "insureds" for these coverages:

- a. You;
- b. Any of your directors, "executive officers", or "employee's", but with respect to the conduct of your business.
- c. If you are a partnership or joint venture, any partner or member thereof, but only with respect to their liability for the conduct of your business.
- d. If you are a limited liability company, your members or managers, but only with respect to their liability for the conduct of your business.

2. Coverage E.

The following are "insured's" for this coverage:

- a. You; and
- b. Your partners (if you are a partnership), members or managers (if you are a limited liability company), "executive officers" and "employee's" who are authorized to administer your "employee benefits".

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

Section III - Limits Of Insurance

1. For the coverages provided, the Limits of Insurance shown in the Declarations fix the most we will pay, regardless of the number of:
 - a. "Insureds";
 - b. Errors or omissions which result in "damages";
 - c. Benefits included in your "Employee Benefits";
 - d. Claims made or "suits" brought; or
 - e. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of all "damages" covered under Coverages **A.**, **B.**, **C.** and **D.**
3. Subject to **2.** above, the Per Occurrence Limit shown in the Declarations is the most we will pay for the sum of "damages" under Coverages **A.**, **B.**, **C.** and **D.** arising out of any one error or omission negligently committed.

4. The Employee Benefits Aggregate Limit is the most we will pay for the sum of all "damages" covered under Coverage **E.**

5. Subject to **4.** above, the Each Employee Limit shown in the Declarations is the most we will pay for the sum of "damages" arising out of any one error or omission negligently committed. The Each Employee Limit is the most we will pay for all "damages" sustained by any one "employee", including "damages" sustained by such "employee's" dependents and beneficiaries a result of:

- a. An error or omission; or
- b. A series of related errors or omissions negligently committed in the "administration" of your "employee benefits".

6. The limits 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 additional preceding period for purposes of determining the Limits of Insurance.

Section IV - Deductibles

1. Our obligation to pay "damages" on your behalf applies only to the amount of "damages" in excess of the deductible amount stated in the Declarations. This deductible will be deducted from the amount of each claim prior to the application of the Limits of Insurance provision. The deductible applies to each error or omission negligently committed.

2. The terms of this insurance, including those with respect to our right and duty to defend any "suits" seeking those "damages" and your duties in the event of a claim or "suit", apply regardless of the application of the deductible.

3. To settle a claim or "suit", we may pay all or any part of the deductible. If this happens, you must reimburse us for the deductible or that portion of the deductible that we have paid.

4. The Each Employee Deductible amount stated in the Declarations applies to all "damages" sustained by any one "employee", including such employee's dependents and beneficiaries, as a result of:

- a. An error or omission; or
- b. A series of related errors or omissions negligently committed in the "administration" of your "employee benefits".

ERRORS AND OMISSIONS COVERAGE FORM - CONTINUED

Section V - Conditions

The following conditions apply in addition to the Common Policy Conditions:

1. Loss Conditions

a. Duties In The Event Of Occurrence, Error Or Omission

- (1) You must see to it that we are promptly notified of an error or omission which may result in a claim or "suit". To the extent possible, notice should include:
 - (a) How, when, and where the occurrence error or omission took place;
 - (b) The names and addresses of any witnesses and persons or organizations who claim or may claim "damages"; and
 - (c) The nature of "damages" arising out of the error or omission.
- (2) If a claim or a "suit" is brought, you must:
 - (a) Immediately record the specifics of the claim and the date received; and
 - (b) Notify us and see to it that we receive written of the claim as soon as practicable.
- (3) You and any other involved "insured" must:
 - (a) Immediately send us copies of any demands, notices, summonses, and legal papers received in connection with the claim or "suit"; and
 - (b) Authorize us to obtain records and other information; and
 - (c) Cooperate with us in the investigation, settlement, or defense of the claim or "suit"; and
 - (d) Assist us, upon our request, in the enforcement of any right against any person or organization who or which may be liable to an "insured" because of injury or "damages" to which this additional insurance may also apply.
- (4) No "insured" will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our written consent

b. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- (1) There has been full compliance with all the terms of this Coverage Form; and
- (2) The "insured's" obligation to pay has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

c. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover "damages" from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after an incident that may result in a claim or "suit" to impair them.

2. General Conditions

a. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this coverage form.

b. Concealment, Misrepresentation Or Fraud

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

- (1) The coverage provided by this Coverage Form; or
- (2) A claim under this Coverage Form.

c. Liberalization

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

d. Other Insurance

- (1) The additional insurance provided by this Coverage Form is excess of any other valid and collectible insurance. If our additional insurance is excess, it will apply for the amount by which our limits exceed the limits of the other insurance.

ERRORS AND OMISSIONS COVERAGE FORM - CONTINUED

(2) When the additional insurance provided by this Coverage Form is excess of other available insurance, we will have no duty to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defend, we may undertake to do so, but we will be entitled to all of the "insured's" rights against all other insurers.

e. Premium Audit

(1) The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

(2) If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

f. Policy Period, Coverage Territory

This Coverage Form applies only to covered errors and omissions which occur while this Coverage Form is in effect within the coverage territory. The coverage territory will be limited to the United States of America, its territories or possessions, Puerto Rico, or Canada.

g. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same error or omission, the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

h. 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:

(1) As if each Named Insured were the only Named Insured; and

(2) Separately to each "insured" against whom claim is made or "suit" is brought.

i. For additional conditions, **Cancellation, Changes, Examination Of Your Books And Records, Inspections, And Surveys, Premiums and Transfer Of Your Rights And Duties Under This Policy**, see form **IL 00 17** and any amendments there to. References in these forms to the **Commercial General Liability Coverage Form** will apply to the **Errors And Omissions Coverage Form** also.

Section VI - Definitions:

"Administration" means:

1. Providing information to your "employees", including their dependents and beneficiaries, with respect to eligibility for or the scope of "employee benefits";
2. Interpreting your "employee benefits";
3. Handling records in connection with your "employee benefits"; or
4. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefits" by you or a person or organization authorized by you to perform such acts.

However, "administration" does not include handling payroll deductions.

"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.

"Auto" means a land motor vehicle, trailer or semitrailer.

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

"Damages" as used in **Coverage A., C., D. and E.** only means:

1. Those sums that the "Insured" is legally obligated to pay as a result of negligent errors or omissions as defined in the Insuring Agreement for the applicable coverage. For the purposes of these coverages, "damages" will not include punitive or exemplary damages, requests for restitution (including costs associated with restoring credit status), requests for injunctive or declarative relief including associated requests for costs or fees or any other costs, fees or penalties that are not insurable by law; or

ERRORS AND OMISSIONS COVERAGE FORM - CONTINUED

2. Other costs, fees or penalties required to be paid by order of enforcement of any federal state or local statutes to the extent they are insurable by law.

"Damages" as used in **Coverage B.** only, means:

1. The difference between the represented market retail value of an "auto" or other equipment when sold to your customer and the actual market retail value of such "auto" or other equipment at the time of sale; or
2. Other costs, fees, or penalties to be paid by order of enforcement of any federal, state, or local statutes to the extent they are insurable by law.

"Employee" as used in **Coverages A., B., C. and D.** means a person actively employed by you. "Employee" includes a leased worker but not a temporary worker.

"Employee" as used in **Coverage E.** means a person that you have actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" does not include a leased worker or temporary worker.

"Employee benefits" means:

1. Insurance programs for:
 - a. Group Life;
 - b. Group accident and health;
 - c. Dental, vision and hearing plans;
 - d. Flexible Spending Accounts;
 - e. Workers' compensation;
 - f. Unemployment; and
 - g. Social security and disability benefits.
2. Group Plans for:
 - a. Profit Sharing;
 - b. Pension;
 - c. Employee stock subscription;
 - d. Employee savings plans; and
 - e. Employee stock ownership plans
3. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
4. Other similar employee benefits identified by separate endorsement.

The above plans must be provided by you and are applicable only to you and your "employees".

"Insured" means any person or organization qualifying as such under **Section II - Who Is An Insured**

"Executive Officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

"Insurance agent" means a person or organization duly licensed as an insurance agent, or the equivalent, by the regulatory authority in the state(s) in which you engage in the insurance business. "Insurance agent" does not mean an insurance solicitor, broker or consultant.

"Personal and advertising injury" means injury, including consequential "bodily injury" arising out of one or more of the following offenses:

1. False arrest, detention, or imprisonment;
2. Malicious prosecution;
3. Wrongful entry into, or eviction of a person from a room, dwelling or premises that the person occupies;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
5. Oral or written publication of material that violates a person's right of privacy.
6. The use of another's advertising idea in your "advertisement"; or
7. Infringing upon another's copyright, trade dress or slogan in your "advertisement"

"Property damage" means:

1. Physical injury to tangible property, including any resulting use of that property; or
2. Loss of use of tangible property that is not physically injured.

"Suit" means a civil proceeding in which "damages" are alleged. "Suit" includes:

1. An arbitration proceeding alleging such "damages" to which you must submit or submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the "insured" submits with our consent.

"Title paper preparation" means the preparation of official title papers for registering an "auto" sold by an "insured", including the designation of a lienholder or legal owner having a financial interest in such "auto".

PENNSYLVANIA CHANGES - DEFENSE COSTS

This endorsement modifies insurance provided under the following:

ERRORS AND OMISSIONS COVERAGE FORM

The following is added to Paragraph 1. **Insuring Agreement**, subparagraph **b.** for each of the coverages included in **Section I - Coverages** provided by the policy to which this endorsement is attached:

If we initially defend an insured or pay for an insured's defense but later determine that none of the claims, for which we provided a defense or defense costs, are covered under this insurance, we have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement under this provision will only apply to the costs we have incurred after we notify you in writing that there may not be coverage and that we are reserving our rights to terminate the defense or payment of defense costs and to seek reimbursement for defense costs.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

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

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

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

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

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

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

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

"Nuclear facility" means:

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

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

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 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.

PENNSYLVANIA NOTICE

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 certificates insuring risks located in Pennsylvania.



POLICY NUMBER: A0098742009

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE DECLARATIONS

Sentry Select Insurance Company (A Participating Stock Company) A member of the Sentry Insurance Group 1800 North Point Drive Stevens Point, WI 54481	Producer Richard Rosson 10000258 440-821-8545
---	--

POLICY INFORMATION

First Named Insured: KG Automotive Pittsburgh LLC dba Ken Ganley Toyota
Address: 1110 Clairton Blvd
Pleasant Hills, PA 15236-4560

The Commercial Excess/Umbrella Liability Coverage provided under this policy is effective 02/26/2020 to 02/26/2021 at 12:01 A.M. Standard Time at your mailing address shown above.

LIMITS OF INSURANCE AND RETAINED LIMIT

General Aggregate Limit	\$	30,000,000
Products/Completed Operations Aggregate Limit	\$	30,000,000
Each Occurrence Limit	\$	10,000,000
Retained Limit (Each Occurrence)	\$	0

APPLICABLE FORMS AND ENDORSEMENTS

In addition to the common policy forms and endorsements, the following forms and endorsements apply to the Commercial Excess/Umbrella Liability Coverage:

Form/Endorsement Number and Edition Date	Form/Endorsement Title
EU 70 08 05 11	Pennsylvania Changes
EU 70 89 05 14	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data Related Activity
EU 88 00 12 07	Commercial Excess/Umbrella Liability Coverage
EU 88 01 12 09	Employment Practices Extension Endorsement
EU 88 15 09 07	Dealers Errors And Omissions Excess Coverage - Including Hour Meter Extension
IL 02 46 09 07	Pennsylvania Changes - Cancellation And Nonrenewal
IL 09 10 07 02	Pennsylvania Notice
IL 80 04 07 16	Exclusion - Infectious Or Communicable Disease

Basis of Premium is not subject to audit.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE FORM

A. SECTION I - COVERAGES is amended by the addition of the following to Paragraph **B. DEFENSE** of **COVERAGE E - EXCESS LIABILITY** and **COVERAGE U - UMBRELLA LIABILITY**:

If we initially defend an insured or pay for an insured's defense but later determine that none of the claims, for which we provided a defense or defense costs, are covered under this insurance, we have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement under this provision will only apply to the costs we have incurred after we notify you in writing that there may not be coverage and that we are reserving our rights to terminate the defense or payment of defense costs and to seek reimbursement for defense costs.

B. The first paragraph under SECTION IV - CONDITIONS is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA RELATED ACTIVITY

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE PART

Section I – Coverages, Coverage U – Umbrella Liability, Exclusion C. 17. Electronic Data, is replaced by the following:

C. Exclusions

This insurance does not apply to:

17. Access Or Disclosure Of Confidential Or Personal Information And Data Related Liability

Damages arising out of:

- a. Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

- b. The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses, or any other loss cost or expense incurred by you or others arising out of that which is described in Paragraph a. or b. above.

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under **Section II - Who Is An Insured**.

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

Section I - Coverages

Coverage E - Excess Liability

A. Insuring Agreement

1. We will pay on behalf of the insured the "ultimate net loss" in excess of "underlying insurance" because of:
 - a. "Bodily injury";
 - b. "Property damage";
 - c. "Personal and advertising injury"; or
 - d. "Error or omission"to which this insurance applies.
2. This insurance applies to "bodily injury", "property damage", "personal and advertising injury" and "error or omission" only if:
 - a. Caused by an "occurrence";
 - b. The "bodily injury", "property damage", "personal and advertising injury" or "error or omission" occurs during the policy period; and
 - c. "Underlying insurance" applies.
3. This insurance is subject to the same terms, conditions, agreements, exclusions and definitions as the "underlying insurance" except:
 - a. We will have no obligation under this insurance with respect to any claim that is settled without our consent; and
 - b. With respect to any provisions to the contrary contained in this insurance.

4. We will be liable only for "ultimate net loss" resulting from any one "occurrence" in excess of:
 - a. The applicable limits of liability of the "underlying insurance" as stated in the Declarations; or
 - b. The limits of "underlying insurance" that have been reduced or exhausted by payment of loss.
5. The amount we will pay for the "ultimate net loss" is limited as described in **Section III - Limits of Insurance**.
6. We will have no other obligation or liability to pay sums or perform acts or services unless such obligation or liability is explicitly provided for under **Coverage E Defense or Supplementary Payments - Coverage E and U**.

B. Defense

1. When the limits of the "underlying insurance" have been used up in the payment of judgments or settlements, we will have the:
 - a. Right and duty to defend the insured against any "suit"; or
 - b. Right, at our discretion, to investigate and settle any claim to which this insurance applies.
2. When the limits of "underlying insurance" have not been used up in the payment of judgments or settlements, but the claim is likely to involve us, we will have the right and shall be given the opportunity to associate with the insured and the "insured's" "underlying insurer" in the investigation or settlement of a claim or defense of a "suit".
3. We will have no duty to defend any insured against any "suit":
 - a. Seeking damages to which this insurance does not apply; or
 - b. After the applicable Limit of Insurance of this Coverage Part has been used up in the payment of judgments or settlements.

C. Exclusions

This insurance does not apply to:

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

1. No Underlying Insurance

"Bodily injury", "property damage", "personal and advertising injury" or "error or omission" to which "underlying insurance" does not apply for any reason other than the exhaustion of "underlying insurance" limits of liability.

2. Unscheduled Underlying Insurance

Except as provided in the definition of "underlying insurance", any injury, damage, loss, cost or expense to which "underlying insurance" applies if the injury, loss, cost or expense is the subject of a separate limit of liability which is not stated in the Declarations of this Coverage Part under the schedule of "underlying insurance".

3. Pollution

a. "Bodily injury", "property damage", "personal and advertising injury" or "error or omission" which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time. This exclusion does not apply:

- (1) To "bodily injury" if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to any insured and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
- (2) To "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
- (3) To "bodily injury" to any "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.

b. Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

c. This Pollution Exclusion applies whether or not:

- (1) Such irritant or contaminant has any function in your business, operations, premises, site or location; or
- (2) The "bodily injury", "property damage", "personal and advertising injury" or "error or omission" arises from environmental damage or pollution of the environment. This exclusion applies to all "bodily injury", "property damage", "personal and advertising injury" or "error or omission" within the scope of this exclusion, including, for example and without limitation, from exposure to "pollutants" within a residential or commercial building or from discharges of "pollutants" from "your product".

4. Asbestos

a. "Bodily injury", "property damage", "personal and advertising injury" or "error or omission" caused in whole or in part by the actual, alleged or threatened:

- (1) Inhalation of, ingestion of, or physical exposure to "asbestos";
- (2) Use of "asbestos" in construction or manufacture of any goods, products or structures;
- (3) Removal of "asbestos" from any goods, products or structures;
- (4) Manufacture, sale, transport, storage or disposal of "asbestos"; or
- (5) Discharge, dispersal, seepage, migration, release or escape of "asbestos".

b. 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

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

- (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".

5. Employment-Related Practices

"Bodily injury" or "personal and advertising injury" to:

- a. A person arising out of any:
- (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) 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
- b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraph a.(1), a.(2) or a.(3) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event, described in Paragraphs a.(1), a.(2) or a.(3) 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 injury.

6. Laws

Any liability or obligation for which the insured or the insured's "underlying insurer" may be held liable under:

- a. Workers' Compensation, disability benefits or unemployment compensation law;
- b. The Employee's Retirement Income Security Act (E.R.I.S.A.), and any amendments thereto;
- c. Any "auto" no-fault, personal injury protection or uninsured or underinsured motorist law;
- d. Any federal, state or local odometer law, auto damage disclosure law, used car disclosure law or aftermarket parts disclosure law;

- e. Any federal, state or local truth in lending, truth in leasing, consumer credit protection or consumer leasing law; or
- f. Any other similar federal, state or local law.

7. Title Paper Preparation

Liability arising out of any negligent act, omission or other error in "title paper preparation".

8. Warranties And Damage To Your Product Or Your Work

"Property damage":

- a. To the extent "your product" or "your work" does not meet a level of performance, quality, fitness or durability warranted or represented by the insured. This exclusion does not apply to any resulting accidental physical injury to tangible property other than "your product" or "your work".
- b. To "your product" arising out of it or any part of it.
- c. To "your work" arising out of it or any part of it, but this exclusion does not apply if the damaged work or the work out of which the damage arises was performed on behalf of an insured by a subcontractor.
- d. To the extent that a written warranty, extended warranty or service agreement provides for the repair or replacement of "your product" or "your work".

Coverage U - Umbrella Liability

A. Insuring Agreement

- 1. We will pay on behalf of the insured the "ultimate net loss" in excess of the Retained Limit stated in the Declarations because of "bodily injury" or "property damage" to which this insurance applies.
- 2. This insurance applies to "bodily injury" and "property damage" only if:
 - a. Caused by an "occurrence" anywhere in the world;
 - b. The "bodily injury" or "property damage" occurs during the policy period;
 - c. "Underlying insurance" does not apply; and

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

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

3. "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 A.1. of **Section II - Who Is An Insured Coverage U - Umbrella Liability** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

4. "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 A.1. of **Section II - Who Is An Insured Coverage U - Umbrella Liability** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- a. Reports all or any part of the "bodily injury" or "property damage" to us or any other insurer;
- b. Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- c. Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

5. The amount we pay for the "ultimate net loss" is limited as described in **Section III - Limits of Insurance**.

6. No other obligation or liability to pay sums or perform acts is covered unless explicitly provided for under **Coverage U Defense or Supplementary Payments - Coverages E and U**.

B. Defense

- 1. In the absence of "underlying insurance", we will have the:
 - a. Right and duty to defend the insured against any "suit"; or

b. Right, at our discretion, to investigate and settle any claim to which this insurance applies.

2. We will have no duty to defend any insured against any "suit":

- a. Seeking damages to which this insurance does not apply; or
- b. After the applicable Limit of Insurance of this Coverage Part has been used up in the payment of judgments or settlements.

C. Exclusions

This insurance does not apply to:

1. Expected Or Intended

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

2. Contractual

Damages which the insured is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability that the insured would have in the absence of the contract or agreement.

3. Employers Liability

"Bodily injury" to:

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

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

4. Auto

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any "auto" within the United States (including its territories and possessions), Puerto Rico and Canada. Use includes operation and "loading and unloading".

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

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 in the ownership, maintenance, use or entrustment to others of any "auto".

5. Aircraft Or Watercraft

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

This exclusion does not apply to an aircraft that is:

- a. Chartered by, loaned to, or hired by you with a paid crew; and
- b. Not owned by any insured.

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, in the "occurrence" which caused the "bodily injury" or "property damage" involved in the ownership, maintenance, use or entrustment to others of any aircraft or watercraft that is owned or operated by or rented or loaned to any insured.

6. Damage To Property

"Property damage" to:

- a. 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;
- b. Property loaned to you;
- c. Personal property in the care, custody or control of the insured;
- d. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- e. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

7. Damage To Your Product

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

8. 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:

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

9. 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:

- a. "Your product";
- b. "Your work"; or
- c. "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.

10. Personal And Advertising Injury

"Personal and advertising injury".

11. Excess Liability

Any damages or expenses to which **Coverage E** applies.

12. Electronic Year Recognition

"Bodily injury" or "property damage" 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;
 - (b) Computer application hardware;
 - (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

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

(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 a.(1) above;

due to the inability to correctly recognize, process, distinguish, interpret or accept any calendar date or time of day.

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 a. of this exclusion.

13. Products -Completed Operations Hazard

"Bodily injury" or "property damage" included within the "products-completed operations hazard".

14. Employee Benefits

Damages arising out of an "error or omission" committed in the "administration" of "employee benefits".

15. Professional Services

"Bodily injury" or "property damage" due to the rendering or failure to render any professional service, including but not limited to:

- a. Legal, accounting or advertising services;
- b. Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- c. Electronic data processing, computer consulting, computer programming or computer software services, advice or instruction;
- d. Supervisory, inspection or engineering services;
- e. Medical, surgical, dental, x-ray or nursing services; treatment, advice or instruction;
- f. Any health or therapeutic service, treatment, advice or instruction;
- g. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- h. Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses or similar products or hearing aid services;
- i. Body piercing services;

- j. Services in the practice of pharmacy;
- k. Law enforcement or fire fighting services;
- l. Handling, embalming, disposal, burial, cremation or disinterment of dead bodies; and
- m. Any insured's activities as an "insurance agent".

16. War

"Bodily injury" or "property damage", however caused, arising directly or indirectly out of:

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

17. 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".

18. Fungi Or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

19. Racing Activities

"Bodily injury" or "property damage" arising out of the sponsorship or use of "all terrain vehicles", "mobile equipment", watercraft or "autos" in or while in practice for or while being prepared for, any prearranged professional or organized racing, speed, demolition, or stunting activity or contest.

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

20. Pollution

- a. "Bodily injury" or "property damage", which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- b. Any loss, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants"; or
 - (2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".
- c. This Pollution Exclusion applies whether or not:
 - (1) Such irritant or contaminant has any function in your business, operations, premises, site or location; or
 - (2) The "bodily injury" or "property damage" arises from environmental damage or pollution of the environment. This exclusion applies to all "bodily injury" and "property damage" within the scope of this exclusion, including, for example and without limitation, from exposure to "pollutants" within a residential or commercial building or from discharges of "pollutants" from "your product".

21. Asbestos

- a. "Bodily injury" or "property damage" caused in whole or in part by the actual, alleged or threatened:
 - (1) Inhalation of, ingestion of, or physical exposure to "asbestos";
 - (2) Use of "asbestos" in construction or manufacture of any goods, products or structures;
 - (3) Removal of "asbestos" from any goods, products or structures;
 - (4) Manufacture, sale, transport, storage or disposal of "asbestos"; or
 - (5) Discharge, dispersal, seepage, migration, release or escape of "asbestos".

- b. 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".

22. Employment-Related Practices

- "Bodily injury" to:
- a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
 - b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraph a.(1), a.(2) or a.(3) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs a.(1), a.(2) or a.(3) 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.

23. Laws

- Any liability or obligation for which the insured may be held liable under:
- a. Workers' Compensation, disability benefits or unemployment compensation law;
 - b. The Employee's Retirement Income Security Act (E.R.I.S.A.), and any amendments thereto;
 - c. Any "auto" no-fault, Personal Injury Protection or Uninsured or Underinsured Motorist Law;

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

- d. Any federal, state or local odometer law, auto damage disclosure law, used car disclosure law or aftermarket parts disclosure law;
- e. Any federal, state or local truth in lending, truth in leasing or consumer leasing law;
- f. Recording and distribution of material or information in violation of:
 - (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
 - (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
 - (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating, or distribution of material or information; or
 - (4) The Fair Credit Reporting Act (FCRA), including any amendment of or addition to such law including the Fair and Accurate Credit Transaction Act (FACTA);
 - (5) The Fair Debt Collection Practices Act (FDCPA), including any amendment of or addition to such law; or
 - (6) Any federal, state or local statute, ordinance or regulation other than TCPA, CAN-SPAM Act of 2003, FCRA or FDCPA 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; or
- g. Any other similar federal, state or local law.

24. All Terrain Vehicle

"Bodily injury" or "property damage" arising out of the ownership, maintenance or use, lease, rental or other entrustment to others of any "all terrain vehicle" snowmobile, miniature motorcycle (also known as a mini-bike or pocket bike) or motorcycle (designed exclusively for off public road use) that is owned or operated by or rented or loaned to any insured.

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 the insured if the "occurrence" which caused the "bodily injury" or "property damage" involved in the ownership, maintenance or use, lease, rental or other entrustment to others of an "all terrain vehicle" that is owned or operated by or rented or loaned to any insured.

25. Terrorism

"Bodily injury" or "property damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage.

26. Silica Or Silica-Related Dust

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of "silica" or "silica-related dust" by any insured or by any other person or entity.

27. Nuclear Energy

- a. To "bodily injury" or "property damage"
 - (1) With respect to which an insured under Coverage U is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

- (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. To "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
- (1) The "nuclear material":
 - (a) Is at any "nuclear facility" owned by or operated by or on behalf of an insured; or
 - (b) Has been discharged or dispersed there from.
 - (2) The "nuclear material" is contained in "spent fuel" or "waste material" 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.

Supplementary Payments - Coverages E And U

- 1. When we have the duty to defend, 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 \$2,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "occurrence" we cover. We do not have to furnish these bonds.

- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit" including actual loss of earnings up to \$300 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorney's fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
- 2. When we have the right but not the duty to defend the insured and elect to participate in the defense, we will pay our own expenses but will not contribute to the expenses of the insured or the "underlying insurer".
 - 3. These payments will not reduce the limits of insurance.
 - 4. Under Coverage U, these payments are not subject to the Retained Limit stated in the Declarations.

Section II - Who Is An Insured

The following persons or organizations are insureds under this Coverage Part:

Coverage E - Excess Liability

- A. Except for liability arising out of the ownership, maintenance or use of an "auto":
 - 1. The Named Insured shown in the Declarations; and
 - 2. Any person or organization who is an insured or an additional insured in the "underlying insurance", but only to the extent the "underlying insurance" applies. If coverage provided to an additional insured is required by contract or agreement, the most we will pay on behalf of the additional insured is the lesser of the amount payable under **Section III - Limits of Insurance** or the amount of insurance required by the contract or agreement, less any amounts payable by "underlying insurance".

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

- B.** For liability arising out of the ownership, maintenance or use of an "auto":
1. The Named Insured shown in the Declarations; and
 2. Any person, including their "family members", or organization scheduled as a Designated Insured in the Declarations but only with respect to:
 - a. Any "auto" used in your business except an "auto" owned by a Designated Insured or, if an individual, his or her "family members"; or
 - b. Personal use of any "auto" you own, borrow or hire except an "auto" you borrow or hire from the Designated Insured or, if an individual, his or her "family members".

Coverage U - Umbrella Liability

- A.** Except for liability arising out of the ownership, maintenance or use of an "auto":
1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture, or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are an insured for:
 - (1) "Bodily injury":
 - (a) To you or your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company) to a co-"employee" in the course of his or her employment or performing duties related to the conduct of your business or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is an obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by;
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by
you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a liability company).
 - b. Any person (other than your "employee" or "volunteer worker") or any organization while acting as your real estate manager.

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to the organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period whichever is earlier; and

b. Coverage does not apply to "bodily injury", "property damage" or "personal and advertising injury" that occurred before you acquired or formed the organization.

B. Only a Named Insured is an insured with respect to liability arising out of the ownership, maintenance or use of an "auto".

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

Section III - Limits Of Insurance

A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay under **Coverages E** and **U** combined regardless of the number of:

1. Insureds;
2. Coverages provided by this Coverage Part;
3. Claims made, "suits" brought, or number of vehicles or watercraft involved; or
4. Persons or organizations making claims or bringing "suits".

B. The General Aggregate Limit is the most we will pay for the sum of all "ultimate net loss" under **Coverages E** and **U**, except "ultimate net loss" because of "bodily injury" or "property damage":

1. Arising out of the ownership, maintenance, use, "loading or unloading" or entrustment to others of an "auto"; or
2. Included in the "products-completed operations hazard".

C. The Products-Completed Operations Aggregate Limit is the most we will pay for the sum of all "ultimate net loss" under **Coverage E** because of "bodily injury" or "property damage" included in the "products-completed operations hazard".

D. Subject to Paragraph **B** or Paragraph **C** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of all "ultimate net loss" under **Coverages E** and **U** because of all damages arising out of any one "occurrence".

The Aggregate Limits, as described in Paragraphs **B** and **C** above, 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 Limits of Insurance.

Section IV - Conditions

We have no duty to provide coverage under this Coverage Part unless you and any other involved insured have fully complied with the Conditions contained in this Coverage Part.

A. Appeals

If the "underlying insurer" or insured elects not to appeal a judgment in excess of the available limit of "underlying insurance" or the retained limit stated in the Declarations, we may do so at our own expense. We will be liable for taxable costs, interest and disbursements. Such appeal does not increase the Limits of Insurance.

B. Bankruptcy

1. Bankruptcy Of Insured

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

2. Bankruptcy Of Underlying Insurer

Bankruptcy of the "underlying insurer" will not relieve us of our obligation under **Coverage E**. However, this insurance will apply as if the "underlying insurance" were in full effect.

C. Duties In The Event Of Occurrence, Claim Or Suit

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

- a. How, when and where the "occurrence" took place;
- b. The names and addresses of any injured persons and witnesses; and
- c. The nature and location of any injury or damage arising out of the "occurrence".

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

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

- a. Immediately record the specifics of the claim or "suit" and the date received; and
- b. 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.

3. You and any other involved insured must:

- a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- b. Authorize us to obtain records and other information;
- c. Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- 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.

4. No insured will, except as the insured' own cost, voluntarily make a payment, assume any obligation or incur any expense, without our consent.

D. Expanded Coverage Territory

1. If a "suit" to which this insurance applies is brought outside the United States of America (including its territories and possessions), Puerto Rico or Canada, we will have the right but not the duty to defend the insured against such "suit".

In any such case in which we elect not to defend, the insured will at our option and under our supervision:

- a. Make or cause to be made such investigation and defense as are reasonably necessary; and
- b. To the extent possible, effect such settlement or settlements as we shall deem proper.

We will reimburse the insured, under **Supplementary Payments - Coverage E and U**, for the reasonable cost of such investigation and defense and, within the limits of liability, for the amounts of such authorized settlement.

2. All payments or reimbursements we make for damages because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums. All payments or reimbursements we make for expenses under **Supplementary Payments - Coverages E and U** will be made in U.S. currency at the prevailing exchange rate at the time the expenses were incurred.

3. Any disputes between you and us as to whether there is coverage under this Coverage Part must be filed in the courts of the United States of America (including its territories and possessions), Puerto Rico or Canada.

E. Legal Action Against Us

No person or organization has a right under this Coverage Part.

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

F. Loss Payable

We will have no liability under **Coverage E** unless and until the insured' "underlying insurer" has become obligated to pay the underlying limit. We will have no obligation under **Coverage U** unless and until the insured has become obligated to pay the retained limit.

Such obligation to pay part of the "ultimate net loss" shall have been previously determined by a final settlement or judgment after an actual trial or written agreement between the insured, claimant, and us. The first Named Insured shown in the Declarations will promptly reimburse us for any damages we pay which are within the Retained Limit stated in the Declarations.

G. Maintenance Of Underlying Insurance - Coverage E - Excess Liability

You shall maintain in full force and effect during the term of this Coverage Part all "underlying insurance" stated in the Declarations. In the event you fail to do so:

- 1. **Coverage E** will apply only to the extent that it would have applied if the "underlying insurance" had been maintained as specified; and

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

2. Coverage will not fill the "underlying insurance" gap created by your failure to maintain **Coverage E** "underlying insurance".

Failure to reinstate any aggregate limit reduced or exhausted solely by "occurrences" which take place during the term of this Coverage Part shall not be interpreted as failure to maintain "underlying insurance" in force.

H. Other Insurance

1. This insurance is excess over, and shall not contribute with, any other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this Coverage Part.

When this insurance is excess, we will have no duty 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.

2. When this insurance is excess over other insurance, we will pay only our share of the "ultimate net loss" that exceeds the sum of:
 - a. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - b. The total of all deductible and self-insured amounts under all that other insurance.

I. Premium Audit

1. We will compute all premiums for the Coverage Part in accordance with our rules and rates.
2. The premium for this Coverage Part is designated in the Declarations as an Advance Premium or a Flat Charge Premium:
 - a. An 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.
 - b. A Flat Charge Premium is not subject to audit or adjustment.
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.

J. Representations Or Fraud

By accepting this policy, you agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us;
3. We have issued this policy in reliance upon your representations; and
4. This policy is void in any case of fraud by you as it relates to this policy or any claim under this policy.

K. Separation Of Insureds

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

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

L. Coverage E - Transfer Of Defense

When the underlying limits of insurance have been used up in the payment of judgments or settlements, the duty to defend will be transferred to us. We will cooperate in the transfer of control to us of any outstanding claims or "suits" seeking damages to which this insurance applies which would have been covered by the "underlying insurance" had the applicable limit not been used up.

M. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us to enforce them.

Any amounts recovered shall be apportioned in reverse order of payment, as follows:

1. The payer of any amount over and above our payment shall first be reimbursed;
2. We shall be reimbursed for the amount paid hereunder; and
3. Lastly, any remainder shall be applied to the interests of those to whom this coverage is excess.

Each concerned interest will share expenses of recovery in proportion to the amounts recovered.

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

N. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

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

O. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "occurrence", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company to apply:

1. As "underlying insurance"; or
2. Specifically as excess insurance over this Coverage Form or Policy.

Section V - Definitions

1. "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit";
- b. Interpreting "employee benefit";
- c. Handling of records in connection with "employee benefit"; or
- d. Effecting, continuing or terminating any "employee's" participation in any benefit included in "employee benefits"

by you or a person or organization authorized by you to perform such acts.

However, "administration" does not include handling payroll deductions.

2. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the internet or on similar electronic means of communication; and
- b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

3. "All terrain vehicle" means a land motor vehicle whether or not subject to motor vehicle registration:

- a. With three or four broad, low pressure tires (less than 10 pounds per square inch);
- b. With a seat to be straddled by the operator and, where applicable, a passenger;
- c. With handlebars for steering; and
- d. Designed for off-road use.

4. "Asbestos" means not only the natural fibrous mineral forms of impure magnesium silicate, but also any material, good, product or structure of which it is a part.

5. "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 motor vehicle that is subject to compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

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

6. "Bodily injury" means bodily injury, disability, sickness or disease sustained by a person, including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".

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".

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

8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

However, with respect to "employee benefits" to which:

- a. **Coverage E** may apply, "employee" does not include a "leased worker" or a "temporary worker".
- b. **Coverage U** does not apply, "employee" means a person actively employed, formerly employed, or on leave of absence, disabled or retired. "Employee" includes a "leased worker" or a "temporary worker".

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

9. "Employee benefits" means:

- a. Insurance programs for:
 - (1) Group life;
 - (2) Group accident and health;
 - (3) Dental vision and hearing plans;
 - (4) Flexible Spending Accounts;
 - (5) Social Security and disability benefits;
 - (6) Workers' compensation; and
 - (7) Unemployment.
- b. Group plans for:
 - (1) Profit sharing;
 - (2) Pension;
 - (3) Employee stock subscription;
 - (4) Employee savings plans; and
 - (5) Employee stock ownership plans.
- c. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family and civil leave; tuition assistance plans; transportation and health club subsidies; and
- d. Other similar employee benefits identified by separate endorsement.

The above plans must be provided by you and are applicable only to you and your "employees".

10. "Error or omission" means an act negligently committed:

- a. In the "administration" of your "employee benefits"; or
 - b. An insured's activities as an "insurance agent";
- specifically identified in the Declarations of this Coverage Part under the schedule of "underlying insurance".

11. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

12. "Family member" means a person related to an individual by blood, marriage or adoption who is a resident of the individual's household, including a ward or foster child.

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

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

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

16. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work", that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
- b. Your fulfilling the terms of the contract or agreement.

17. "Insurance agent" means a person or organization duly licensed as an insurance agent, or the equivalent, by the regulatory authority in the state(s) in which you engage in the insurance business. "Insurance agent" does not mean an insurance solicitor, broker or consultant.

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

19. "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".

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

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- 21. "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 material";

- 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 material";

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.

- 22. "Nuclear material" means "source material", "special nuclear material" or "by-product material". "Source material", "special nuclear material" and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- 23. "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.
- 24. "Occurrence" means:
 - a. With respect to "bodily injury" and "property damage", an accident, including continuous or repeated exposure to substantially the same general harmful conditions;
 - b. With respect to "personal and advertising injury", an offense; and
 - c. With respect to "error and omission", a negligent act.
- 25. "Personal and advertising injury" means, injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders a person or organization or disparages a person's or organization's goods, products or services;
 - e. Common law violation of a person's right of privacy;
 - f. Discrimination against or harassment of a person if:
 - (1) Coverage for such discrimination or harassment is permitted by law; and

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

(2) The discrimination or harassment is not committed by or at the direction of:

- (a) You;
- (b) If you are an individual, your spouse;
- (c) If you are a partnership, a partner or his or her spouse;
- (d) If you are a joint venture, a member of the joint venture or his or her spouse;
- (e) If you are a limited liability company, any or your members or managers; or
- (f) If you are an organization other than a partnership, joint venture, or limited liability company, any of your "executive officers", directors, or stockholders.

g. The use of another's advertising idea in your "advertisement"; or

h. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

26. "Pollutants" means any solid, liquid, gaseous, bacterial, viral, electromagnetic or thermal irritant or contaminant, including but not limited to, smoke, vapor, soot, acids, alkalis, harmful or toxic chemicals, fuels, motor oil, petroleum products, cleaning solvents, dry cleaning fluids, brake fluid, transmission fluid, antifreeze, exhaust gases, lead, lead paint, carbon monoxide, sewage, ink, toner, waste and fumes, including but not limited to welding fumes, and glue fumes.

Waste includes, but is not limited to, material to be recycled, reconditioned or reclaimed.

A substance does not lose its character of being a "pollutant" by virtue of having a useful function.

27. "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 products" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

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

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification on the Declarations of a policy of "underlying insurance" states that products-completed operations are subject to the General Aggregate Limit.

28. "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.

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

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

29. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

30. "Silica-related dust" means a mixture or combination of silica or other dust or particles.

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

32. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal or advertising injury" or "errors and omissions" damages 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

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE - CONTINUED

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent or the "underlying insurer" consent.
- 33.** "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.
- 34.** "Terrorism" means activities against persons, organizations or property of any nature:
- a. That involve the following or preparation for the following:
- (1) Use or threat of force or violence;
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
- b. When one or both of the following applies:
- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy: or
- (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- 35.** "Title paper preparation" means the preparation of official title papers for registering an "auto" sold by an insured, including the designation of a lienholder or legal owner having a financial interest in such "auto".
- 36.** "Ultimate net loss" means the total sum, after reduction for recoveries or salvages collectible, that the insured becomes legally obligated to pay as damages by reason of settlement or judgments or any arbitration or other alternative dispute method entered into with our consent.
- 37.** "Underlying insurance" means any policies of insurance listed in the Declarations under the schedule of "underlying insurance". "Underlying insurance" that would apply but for the exhaustion of its Limit of Insurance is still considered to be applicable "underlying insurance".
- 38.** "Underlying insurer" means any insurer who provides any policy of insurance listed in the Declarations under the schedule of "underlying insurance".
- 39.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the discretion of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed by you.
- 40.** "Waste material" means any waste material:
- a. Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
- b. Resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".
- 41.** "Your product":
- a. Means:
- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
- (a) You;
- (b) Others trading under your name; or
- (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. Includes:
- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or the failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.
- 42.** "Your work":
- a. Means:
- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes:
- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

EMPLOYMENT PRACTICES EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE PART

SCHEDULE LIMITS OF INSURANCE

Each Act Limit of Insurance:	\$
Employment Practices Annual Aggregate Limit of Insurance:	\$

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Section I - Coverages is amended as follows:

1. The following is added to **Coverage E - Excess Liability**, Paragraph **A. Insuring Agreement**:

We will pay on behalf of the insured the "ultimate net loss" in excess of "underlying insurance" because of a "wrongful act" to which this insurance applies. This insurance applies to a "wrongful act" that results from your employment practices and only if the "wrongful act" first took place during the policy period.

2. **Coverage E - Excess Liability**, Paragraph **C. Exclusions** is amended by replacing exclusion **5. Employment Related Practices** with the following:

"Personal and advertising injury" to:

- a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment;
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, "harassment", humiliation, "discrimination" or "wrongful termination" directed at that person; or
- b. The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraph **a. (1), (2) or (3)** above are directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damage with or repay someone else who must pay damages because of injury.

B. Section III - Limit Of Insurance is amended by the addition of the following:

Subject to the General Aggregate Limit of Insurance, the most we will pay under this additional insurance will be:

1. The Employment Practices Annual Aggregate Limit of Insurance shown in the Schedule for this endorsement is the most we will pay for the sum of all "ultimate net loss" for all "wrongful acts" committed during each annual policy period. This aggregate limit will 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 Limits of Insurance.
2. Subject to the Employment Practices Annual Aggregate Limit of Insurance described in Paragraph **B.1.** of this endorsement, the Each Act Limit of Insurance shown in the Schedule for this endorsement is the most we will pay for the sum of all "ultimate net loss" for damages arising from any one "wrongful act".

C. Section V - Definitions is amended as follows:

For the coverage provided by this endorsement only:

EMPLOYMENT PRACTICES EXTENSION ENDORSEMENT - CONTINUED

1. The definition of "suit" is replaced by the following:

"Suit" means:

- a. (1) A civil proceeding; or
- (2) An arbitration proceeding, or other alternative dispute resolution proceeding to which the insured must submit or does submit with our consent.

in which damages because of a "wrongful act" to which this insurance applies are alleged.

- b. An administrative proceeding by a federal, state or local governmental entity investigating a "wrongful act".

2. The following definitions are added:

- a. "Discrimination" is to distinguish by discerning or exposing differences based on sex, sexual orientation, race, religion, national origin or physical capabilities.

- b. "Harassment" is unwelcome advances, whether verbal or physical, requests for sexual favors or other verbal or physical contact when:

- (1) Submission to such conduct by an individual is made explicitly or implicitly a term or condition of employment.

- (2) Submission to, or rejection of such conduct by an "employee" is used as the basis for an employment decision.

- (3) And such conduct has the purpose or affect to interfere with an "employee's" work performance, or creates a hostile or intimidating environment.

- c. "Wrongful act" means one or more of the following employment related offenses:

- (1) "Discrimination";

- (2) "Harassment"; or

- (3) "Wrongful termination".

A single "wrongful act" shall include all conduct, including continuous or repeated exposure to substantially the same generally harmful conduct by an individual or group of individuals, whether directed at an individual or group of individuals.

- d. "Wrongful termination" is termination of an employment relationship in a manner which is against the law or in breach of an implied agreement to continue employment. Wrongful termination does not include damages legally owed under an express contract of employment or an express obligation to make payments in the event of the termination of employment.

DEALERS ERRORS AND OMISSIONS EXCESS COVERAGE - INCLUDING HOUR METER EXTENSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS/UMBRELLA LIABILITY COVERAGE

A. Coverage E - Excess Liability, Paragraph C. Exclusions of Section I - Coverages is amended as follows:

1. Exclusion 6. Laws is replaced by the following:

An liability or obligation for which the insured or the insured's "underlying insurer" may be held liable under:

- a. Workers compensation, disability benefits or unemployment compensation law;
- b. The Employee's Retirement Income Security Act (E.R.I.S.A.) and any amendments thereto;
- c. Any "auto" no-fault, personal injury protection or uninsured or underinsured motorists law.
- d. Any federal, state or local consumer credit protection or consumer leasing law; or
- e. Any other similar federal, state or local law.

2. Exclusion 7. Title Paper Preparation is deleted.

B. Section V - Definitions, is amended as follows:

1. The definition of "error or omission" is replaced by the following:

"Error or omission" means an act negligently committed:

- a. In the "administration" of your "employee benefits" plans;
- b. An insured's activities as an insurance agent;
- c. In "title paper preparation";
- d. Due to civil violation of any federal, state, or local statute regarding accurate odometer or hour meter readings, auto damage disclosure law, used car disclosure laws;
- e. Due to inaccurate hour meter disclosures due to:
 - (1) Mechanical failure;
 - (2) Tampering by someone other than an insured; or
 - (3) Negligent error or omission by an insured; or
- f. Due to civil violation of any federal, state, or local truth in lending or truth in leasing statute.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 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.

PENNSYLVANIA NOTICE

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 certificates insuring risks located in Pennsylvania.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - INFECTIOUS OR COMMUNICABLE DISEASE

This endorsement modifies the coverage provided under the following:

- COMMERCIAL AUTOMOBILE COVERAGE PART
- COMMERCIAL EXCESS/UMBRELLA COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS COVERAGE PART

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

A. The following exclusion is added:

EXCLUSION - INFECTIOUS OR COMMUNICABLE DISEASE

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual or alleged transmission of an "infectious or communicable disease"; or
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 an "infectious or communicable disease"; 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, an "infectious or communicable disease".
3. 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 an "infectious or communicable disease";

- b. Failure to prevent the spread of an "infectious or communicable disease"; or
- c. Failure to report an "infectious or communicable disease" to authorities.

B. The following definition is added:

"Infectious or communicable disease":

1. Means an illness or contamination resulting from an infectious agent or its by-products that occurs through the direct or indirect transmission by an infected human or animal host, organism or from the inanimate environment to a human or animal host; and
2. Includes, but is not limited to, Acquired Immune Deficiency Syndrome (AIDS); Chronic Wasting Disease (CWD); Ebola; Escherichia coli (E. coli); Hepatitis, Human Immunodeficiency Virus (HIV); Influenza, including, but not limited to, all strains and mutations of avian, human or swine; Measles, Methicillin-resistant Staphylococcus Aureus (MRSA), Salmonellosis; Severe Acute Respiratory Syndrome (SARS); Sexually Transmitted Diseases (STDs); Transmissible Spongiform Encephalopathy (TSE), including Bovine Spongiform Encephalopathy (BSE, or mad cow disease); Tuberculosis and West Nile Virus.

NOTICE TO POLICYHOLDERS

POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE

This Notice has been prepared in conjunction with the potential implementation of changes related to coverage of terrorism under your policy.

The Terrorism Risk Insurance Act of 2002, and as amended in 2015, established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. That program will terminate at the end of December 31, 2020 unless extended by the federal government. Your policy will become effective (or will be renewed) while the federal program is still in effect, but prior to a decision by the federal government on extension of the federal program. If the federal program terminates or is extended with certain changes, during the term of your policy, then the treatment of terrorism under your policy will change. This Notice is being provided to you for the purpose of summarizing potential impact on your coverage. The summary is a brief synopsis of significant exclusionary provisions and limitations.

This Notice does not form a part of your insurance contract. This Notice is designed to alert you to coverage restrictions and to other provisions in certain terrorism endorsement(s) in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

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

Your Policy At Start Of New Policy Term

Your policy contains an endorsement that excludes "certified acts of terrorism", which is more fully defined in the endorsement. The exclusion of "certified acts of terrorism" relates to criteria in the federal Terrorism Risk Insurance Act of 2002, and as amended in 2015.

With respect to "certified acts of terrorism", policy exclusions (for example the war liability exclusion) and other policy provisions continue to apply.

Potential Change During The Term Of The Policy

Endorsement CG 21 87 (exceptions, CG 32 20 for Washington policies and CG 32 14 for Alaska policies) is attached to your policy. Its provisions will become applicable to your policy only if certain events (one or more of them) occur:

- If the federal Terrorism Risk Insurance Program (TRIP) terminates with respect to the type of insurance provided under this policy. (TRIP is scheduled to terminate at the end of December 31, 2020 unless extended by the federal government); or
- If TRIP is extended with changes that redefine terrorism, and we are not required to make such revised coverage available to you; or
- If TRIP is extended with changes that make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other events or occurrences under this policy, and we are not required to make such revised coverage available to you; or
- If TRIP is extended with changes that increase insurers' statutory percentage deductible under TRIP for terrorism losses or decreases the federal government's statutory percentage share in potential terrorism losses, and we are not required to make terrorism coverage available to you. Our deductible for 2020 is 20% of the total of your previous year's direct earned premiums. For 2020, the government's share is 85% of the terrorism losses paid by us above the deductible.

Endorsement CG 21 87 (and equivalent endorsements CG 32 20 and CG 32 14) treats terrorism as follows:

Coverage for loss or damage arising out of a terrorism incident is excluded if:

- The total of all insured damage to all types of property (including business interruption losses, sustained by owners or occupants of damaged property), from the incident exceeds \$25 million. The \$25 million property damage threshold is based on losses sustained by all persons and entities who are affected by an incident of terrorism, and who are insured for the damage, or who would be insured but for a terrorism exclusion; or
- Fifty or more persons sustain death or serious injury; or
(To determine whether the \$25 million threshold for property damage or 50 or more persons threshold for bodily injury is exceeded, multiple incidents of terrorism which occur within a seventy-two hour period and appear to be linked together or have a related purpose or common leadership behind them will be considered to be one incident of terrorism).
- The terrorism event involves nuclear materials or results in nuclear reaction or radiation or radioactive contamination; or
- The terrorism event involves the release of radioactive material and it appears that one purpose of the terrorism was to release such material; or
- The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- The terrorism event involves the release of pathogenic or poisonous biological or chemical materials and it appears that one purpose of the terrorism was to release such materials.

See the definition of Terrorism for purposes of the Terrorism Exclusion.

ADDITIONAL CONDITIONS - PARTICIPATION

Participation

You will share in any dividends in accordance with conditions established by the Board of Directors.

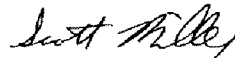
The first page of Declarations names the company issuing this policy. The officer signatures which correspond to That Company are a part of this policy. None of the other signatures apply to this policy.

SENTRY SELECT INSURANCE COMPANY

Stevens Point, Wisconsin



Secretary



President



POLICY NUMBER: A0098742007

POLLUTION LIABILITY POLICY DECLARATIONS

THIS IS A CLAIMS MADE POLICY

Coverage provided by this policy is provided on a claims made and reported basis.

Sentry Select Insurance Company (A Participating Stock Company) A member of the Sentry Insurance Group 1800 North Point Drive Stevens Point, WI 54481	Producer Richard Rosson 10000258 440-821-8545
---	--

POLICY INFORMATION

First Named Insured: KG Automotive Pittsburgh LLC dba Ken Ganley Toyota

Address: 1110 Clairton Blvd
Pleasant Hills, PA 15236-4560

Business Description: Limited liability company

The coverage provided under this policy is effective 02/26/2020 to 02/26/2021 at 12:01 A.M. Standard Time at your mailing address shown above.

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

RETROACTIVE DATE

Policy Retroactive Date: 02/26/2018

If another retroactive date is shown in the Schedule of Named Insureds or Schedule of Covered Locations below or the Additional Insured Supplemental Declarations for a specific named insured, additional insured or covered location, that retroactive date will replace the Policy Retroactive Date above for that named insured, additional insured or covered location.

SCHEDULE OF COVERED LOCATIONS

Prem.#	Address
1	1110 Clairton Blvd Pleasant Hills, PA 15236-4560

LIMITS OF INSURANCE AND DEDUCTIBLE

Aggregate Limit	\$ 1,000,000
Each Pollution Incident Limit	\$ 1,000,000
Clean-Up Costs - Covered Locations Limit	\$ 50,000
Deductible - Each Pollution Incident	\$ 1,000

POLICY NUMBER: A0098742007

APPLICABLE FORMS AND ENDORSEMENTS

In addition to the common policy forms and endorsements, the following forms and endorsements apply to the Pollution Liability Coverage:

Form/Endorsement Number and Edition Date	Form/Endorsement Title
80 2314 SSDO 05 00	Additional Conditions - Membership And Participation
CG 21 73 01 15	Exclusion Of Certified Acts Of Terrorism
CG 21 87 01 15	Conditional Exclusion Of Terrorism (Relating to Disposition Of Federal Terrorism Risk Insurance Act)
LA0036PA 05 11	Pennsylvania Changes - Pollution Liability
LF000200 12 95	Pollution Liability Coverage
MA0004PA 08 96	Pennsylvania Changes - Additional Condition Cancellation And Nonrenewal
MA000500 07 95	Nuclear Energy Liability Exclusion

CONTACT INFORMATION

For service, please contact us at:

Address:	1800 North Point Drive Stevens Point, WI 54481	Phone:	Toll Free	800-473-6879
Email:	businessproducts_direct@sentry.com		Fax	800-514-7191

POLLUTION LIABILITY COVERAGE

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

Words and phrases that appear in quotation marks have special meaning. Refer to **Section VI - Definitions** for the definitions of these words and phrases when used in this policy.

Section I - Coverage

A. Coverage

1. Pollution Liability Coverage

"We" will pay those sums the "insured" legally must pay as compensatory damages because of "bodily injury" or "property damage" or claims for "clean-up costs" from "environmental damage" caused by a "pollution incident" provided that:

- a. The "pollution incident" must migrate from a "covered location" or "waste facility", or result from the escape or release of "pollutants" from a "vehicle", operated by a "waste hauler" to transport "pollutants" from a "covered location", within the "coverage territory".
- b. The "pollution incident" commences on or after the applicable retroactive date shown in the Declarations.
- c. The "insured's" responsibility to pay for damages must be determined in a "suit" or in a settlement "we" agree to.
- d. Claims for "clean-up costs" must be asserted under statutory authority of the government of the United States of America, Canada or any of their political subdivisions.
- e. The claim for damages must be first made during the policy period, or any applicable extended reporting period provided under **Section V - Extended Reporting Period**.

A claim will be deemed to have been made when:

- (1) Written notice of a claim is received by any "insured" or "us"; or
- (2) "We" make a settlement in accordance with this coverage.

2. Clean-up Costs - Contiguous Property

"We" will reimburse "you", subject to the limit of insurance and deductible described in **Section III - Limits Of Insurance And Deductible**, for reasonable and necessary "clean-up costs" "you" incur, during the policy period, to curtail or prevent the imminent and

substantial danger of "environmental damage" occurring to property contiguous to a "covered location" which arises out of a covered "pollution incident" at a "covered location".

"You" must notify "us" promptly in the event of a "pollution incident" and obtain "our" written consent to incur these "clean-up costs". Such consent cannot be withheld without reasonable cause. If a "pollution incident" results in an emergency situation, "you" may begin action to prevent or curtail "environmental damage" prior to notifying "us", however, "you" must still notify "us" promptly.

3. Clean-up Costs - Covered Location

"We" will reimburse "you" for reasonable and necessary "clean-up costs" to remove or neutralize "pollutants" at a "covered location" which "you" incur, during the policy period, to prevent or curtail the imminent and substantial danger of "environmental damage" arising out of a "pollution incident".

"You" must notify "us" promptly in the event of a "pollution incident" and obtain "our" written consent to incur these "clean-up costs". Such consent cannot be withheld without reasonable cause. If a "pollution incident" results in an emergency situation, "you" may begin action to prevent or curtail "environmental damage" prior to notifying "us", however, "you" must still notify "us" promptly.

The most "we" will pay under this coverage is the clean-up costs - covered locations limit, shown in the Declarations, for all "clean-up costs" incurred, regardless of the number of "covered locations", for each consecutive annual policy period, or any remaining portion of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

The coverage provided under paragraphs 2. and 3. above does not apply to "clean-up costs" incurred during any extended reporting period provided under **Section V - Extended Reporting Period**.

POLLUTION LIABILITY COVERAGE - CONTINUED

The most "we" will pay for all damages and "clean-up costs" is limited to the applicable limit of insurance described in **Section III - Limits Of Insurance** and deductible.

"We" will also have the right and duty to defend any "suit" seeking damages for "bodily injury", "property damage" or "clean-up costs". "We" may at "our" discretion investigate and settle any claim or "suit" that may result. "Our" right and duty to defend ends when "we" have used up the applicable limit of insurance in the payment of judgments, settlements, or "clean-up costs". "We" have no duty to defend any "suit" not covered by this insurance.

All claims for covered damages, as the result of a "pollution incident", will be deemed to have been made at the time the first of those claims is made against any "insured".

No other obligation or liability to pay sums or to perform acts or services is covered unless explicitly provided for under paragraph **b. Supplementary Payments**.

B. Supplementary Payments

With respect to any claim or "suit" "we" defend, "we" will also pay:

1. All expenses incurred in defending the "insured".
2. 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 \$100 a day because of time off from work.
3. Prejudgment interest awarded against the "insured" on that part of the judgment "we" pay. If "we" make an offer to pay the applicable limit of insurance, "we" will not pay any prejudgment interest for the period of time after the offer.
4. 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.
5. Expenses incurred, by the "insured", for first aid to others at the time of any accident for "bodily injury" to which this insurance applies.

These payments will not reduce the limits of insurance.

C. Exclusions

This insurance does not apply to:

1. Punitive Damages Or Fines

Any "punitive damages", fees, fines, or other penalties imposed on or assessed against any "insured".

2. War

War (whether declared or not), civil war, rebellion, revolution, insurrection or any act or condition incident to any of them.

3. Prior Pollution Incidents

Any "pollution incident" that commenced prior to the retroactive date shown in the Declarations.

4. Expected Or Intended Injury

Any "pollution incident" expected or intended from the standpoint of the "insured".

5. Contractual Liability

Any "pollution incident" for which the "insured" is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the "insured" would have in the absence of the contract or agreement.

6. Workers Compensation And Similar Laws

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

7. Employer's Liability

"Bodily injury" to:

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

8. Damage To Property Or Environment

- a. "Pollution incident" to;
- b. A "waste facility";
- c. Property an "insured" owns, rents or occupies;
- d. Premises an "insured" sells, gives away or abandons;
- e. Property in an "insured's" care, custody or control.

Part **b.** of this exclusion does not apply to paragraph **a.3., Clean-up Costs - Covered Locations.**

9. Damage From Underground Storage Tanks

Any "pollution incident" from an "underground storage tank" owned, used by, rented or leased to, or in the care, custody or control of any "insured".

POLLUTION LIABILITY COVERAGE - CONTINUED

10. Clean-up Costs

"Clean-up costs" or any other expenses incurred by an "insured" or any other person or organization to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize "pollutants" on or at:

- a. A "waste facility"; or
- b. Premises "you" own, rent, occupy or in the care, custody or control of an "insured".

Part **b.** of this exclusion does not apply to paragraph **a.3. Clean-up Costs - Covered Location.**

11. Products-Completed Operations Hazard

A "pollution incident" resulting from the "products-completed operations hazard".

12. Offshore Facility

A "pollution incident" arising out of the ownership, operation or use of any offshore facility as defined in the Outer Continental Shelf Lands Act Amendment of 1978 or in the Clean Water Act of 1977 as amended 1978 or any deepwater port as defined in the Deepwater Port Act of 1974.

13. Damage From Covered Location Waste Disposal Or Processing

A "pollution incident" from a "covered location" or any part of a "covered location" that is or was used by an "insured" for the storage, disposal, processing or treatment of waste materials. This exclusion does not apply to a "pollution incident" caused by "your" waste materials temporarily stored by "you" awaiting removal to a "waste facility".

14. Aircraft, Rolling Stock, Vehicles Or Watercraft

A "pollution incident" arising out of the ownership, maintenance, use, operation, "loading or unloading" or entrustment to others of any aircraft, "vehicle", rolling stock or watercraft owned or operated by or rented or loaned to any "insured". This exclusion does not apply to paragraph **a.3., Clean-up Costs - Covered Locations.**

15. Wells

A "pollution incident" arising out of the drilling or existence of any well.

16. Failure To Comply With Environmental Laws

Any "pollution incident" which results from or is directly or indirectly attributable to any "insured's" willful or deliberate failure to comply with any applicable statute, regulation, ordinance, directive or order relating to the protection of the environment and promulgated by any governmental body.

17. Acid rain

A "pollution incident" arising out of acid rain.

18. Nuclear

Any "pollution incident" arising out of the explosion or malfunction of any nuclear power plant, weapon or device or their consequences.

19. Hostile Fire

A "pollution incident" caused by, resulting from or arising out of heat, smoke or fumes from a hostile fire. A hostile fire means one which becomes uncontrollable or escapes from where it was intended to be.

This exclusion does not apply to paragraph **A.3. Clean-up Costs - Covered Location.**

Section II - Who Is An Insured

A. If "you" are designated in the Declarations as:

- 1. An individual, "you" and "your" spouse are "insureds", but only with respect to the conduct of a business of which "you" are the sole owner.
- 2. A partnership or joint venture, "you" are an "insured". "Your" members and "your" partners and their spouses are also "insureds", but only with respect to the conduct of "your" business.
- 3. An organization other than a partnership or joint venture, "you" are an "insured". "Your" 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.

B. Each of the following is also an "insured":

- 1. "Your" employees, other than "your" officers, but only for acts within the scope of their employment by "you". However, no employee is an "insured" for:
 - a. "Bodily injury":
 - (1) To "you", "your" partners or members or a co-employee while in the course of his or her employment or while performing duties related to the conduct of "your" business;
 - (2) To the spouse, child, parent, brother or sister of that co-employee as a consequence of paragraph **a.(1)** above; or
 - (3) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs **a.(1)** or **a.(2)** above.

POLLUTION LIABILITY COVERAGE - CONTINUED

b. "Property damage" or "environmental damage" to property:

- (1) Owned, occupied or used by, rented to or in the care, custody or control of "you", or any of "your" employees, partners or members; or
- (2) Over which physical control is being exercised for any purpose by "you", or any of "your" employees, partners or members.

2. Any person or organization having proper temporary custody of "your" property if "you" die, but only:

- a. With respect to liability arising out of the maintenance or use of that property; and
- b. Until "your" legal representative has been appointed.

3. "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.

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

Section III - Limits Of Insurance And Deductible

A. 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;
- c. Persons or organizations making claims or bringing "suits"; or
- d. Governmental actions taken with respect to "clean-up costs".

2. The aggregate limit is the most "we" will pay for the sum of:

- a. All damages because of "bodily injury" and "property damage";
- b. All "clean-up costs" incurred because of all "environmental damage"; and
- c. All "clean-up costs" paid under paragraphs **A.2. Clean-up Costs - Contiguous Property** and **A.3. Clean-up Costs - Covered Locations of Section I - Coverage**.

3. Subject to the aggregate limit described in paragraph 2. above, the most "we" will pay in any one "pollution incident" will be the lesser of the sum of:

- a. All damages because of "bodily injury" and "property damage";

b. All "clean-up costs" incurred because of all "environmental damage";

c. All "clean-up costs" paid under the paragraphs **a.2. Clean-up Costs - Contiguous Property** and **a.3. Clean-up Costs - Covered Locations of Section I - Coverage**;

Minus the deductible, if any, or the Each Pollution Incident Limit, shown in the Declarations.

4. The limits of insurance of this policy apply separately to each consecutive annual period, starting with the effective date of this policy, and to any remaining period of less than 12 months.

B. Deductible

1. "Our" obligation to pay damages for "bodily injury" or "property damage" or "clean-up costs" for "environmental damage" on "your" behalf applies only to the amount of damages or "clean-up costs" in excess of the deductible shown in the Declarations for each "pollution incident".

2. "We" may, or will if required by law, pay part or all of any deductible amount to effect settlement of any claim or "suit". Upon notice of "our" payment of a deductible amount "you" shall reimburse "us" for the part of the deductible amount "we" paid. If "you" fail to reimburse "us" for any portion of the deductible within 30 days of notice of "our" payment of all or part of the deductible, "we" may consider this a nonpayment of premium and cancel this policy as indicated in **Section IV - Conditions**.

Section IV - Conditions

This **Pollution Liability Coverage** is subject to the following conditions:

A. Duties In The Event Of An Incident Claim Or Suit

1. "You" must see to it that "we" are notified by phone within 24 hours of a "pollution incident" which may result in a claim or any action or proceeding to impose an obligation on an "insured" for "clean-up costs". Written notice must follow within 72 hours of a "pollution incident" and include:

- a. How, when and where the "pollution incident" took place;
- b. The names and addresses of any injured persons and witnesses; and
- c. The nature and location of any injury or damage arising out of the "pollution incident".

POLLUTION LIABILITY COVERAGE - CONTINUED

Notice of a "pollution incident" is not notice of a claim except for coverage provided under paragraphs **a.2, Clean-up Costs - Contiguous Property** and **a.3., Clean-up Costs - Covered Locations of Section I - Coverage**.

"Your" duty to notify "us" in the event of a "pollution incident" applies regardless of the existence or application of any deductible under **Section III** of this Coverage Form.

2. If a claim is made or "suit" is brought against any "insured" or an action is initiated, "you" must see to it that "we" receive prompt written notice of the claim, "suit" or notice of action.
3. "You" and any other involved "insured" must:
 - a. Immediately send "us" copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - b. Authorize "us" to obtain records or other information;
 - c. Cooperate with "us" in the investigation, settlement or defense of the claim or "suit"; and
 - 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.
4. No "insureds" will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without "our" consent.

B. 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 insurance.

2. Cancellation

The rights to cancel this policy by the first Named Insured or "us" are described in the attached cancellation endorsement.

3. 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.

When a change is made that is effective after the effective date of the policy, the retroactive date applicable to the change will be the effective date of the change. The retroactive date shown in the Declarations will continue to apply to the portions of the policy not affected by the change.

4. Assignment

No assignment of interest will affect this policy unless "we" agree, in writing, to the assignment and change the policy.

5. 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.

6. Inspections And Surveys

"We" have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give "you" reports on the conditions "we" find; and
- c. 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:

- a. Are safe and healthful; or
- b. 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.

7. 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

POLLUTION LIABILITY COVERAGE - CONTINUED

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.

8. Other Insurance

If other valid and collectible insurance is available to the "insured" for a loss "we" cover under this policy, "our" obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** or **c.** below applies. When this insurance is primary, "our" obligations are not affected unless any of the other insurance is also primary. Then, "we" will share with all that other insurance by the method described in **d.** below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) That is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "bodily injury" or "property damage" on other than a claims-made basis, if:

(a) No retroactive date is shown in the Declarations of this insurance; or

(b) The other insurance has a policy period which continues after the retroactive date shown in the Declarations of this insurance; or

(2) If the loss arises out of the maintenance or use of aircraft, "vehicles" or watercraft to the extent not subject to Exclusion 14.

When this insurance is excess over other insurance:

(1) "We" will have no duty under **Section I** to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurance defends, "we" will undertake to do so, but "we" will be entitled to the "insured's" rights against any other insurers.

(2) "We" will pay only "our" share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self insurance amounts under any other insurance except as indicated in **c.** below.

"We" will share the remaining loss, if any, with any other insurance that is not described in this excess insurance provision and was not bought specifically to apply in excess of the limits of insurance shown in the Declarations of this policy.

c. Coordination Of Coverage With Governmental Funding Programs

"You" must comply with all applicable regulations and statutes in order to secure recovery from any governmental funding or insurance program available to any "insured". Coverage under this policy is excess of any governmental fund or insurance program. However, "we" will reimburse "you" for the difference between any deductible from the governmental fund or insurance coverage and the deductible under this policy.

d. Method Of Sharing

If all of the other insurance permits contribution by equal shares, "we" will follow this method also. Under this method each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, "we" will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limit of insurance of all insurers.

9. Premiums

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.

10. Premium Audit

a. "We" will compute all premiums for this coverage in accordance with "our" rules and rates.

b. At the close of each audit period "we" may, at "our" option, audit your records and compute the actual earned premium for that period. If the earned premium is higher

POLLUTION LIABILITY COVERAGE - CONTINUED

than the advance and other premiums paid, "we" will bill the additional earned premium. This additional premium is 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.

- c. The first Named Insured must keep records of the information "we" need for premium computation, and send "us" copies at such times as "we" may request.

11. Representations

By accepting this policy, "you" agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations "you" made to "us"; and
- c. "We" have issued this policy in reliance upon "your" representations.

12. Separation Of Insureds

Except with respect to the limit 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.

13. Transfer Of Rights Of Recovery Against Others To Us

If the "insured" has rights to recover all or part of any payment "we" have made under this coverage, those rights are transferred to "us". The "insured" must do nothing after a loss to impair those rights. At "our" request, the "insured" will bring "suit" or transfer those rights to "us" and help "us" enforce them.

14. Coverage Part Issued To Comply With Law Or Regulation

If this policy is issued to comply with any law or regulation which requires notice of cancellation to any governmental body, cancellation may not be effected until the required notice has been provided by "you" or "us".

Section V - Extended Reporting Period

A. This Section Applies Only If:

1. This policy is canceled or non-renewed for any reason;
2. "We" renew or replace this policy with another claims-made policy that has a retroactive date later than the one shown in the Declarations for this policy; or

3. "We" amend this policy by endorsement to delete a coverage, "covered location" or an "insured" from this policy, but only for that coverage, "covered location" or "insured".

B. If The Extended Reporting Period Applies:

1. A claim first made within one year after the end of the policy period will be deemed to have been made on the last day of the policy period, provided the claim is for damages because of "bodily injury" or "property damage" or "clean-up costs" from "environmental damage" that occurred before the end of the policy period.
2. All loss of use which results from physical injury to, destruction of or contamination of tangible property shall be deemed to occur at the time of the physical injury that caused it.
3. All loss of use of tangible property that is not physically injured, destroyed, or contaminated but has been evacuated, withdrawn from use or rendered inaccessible because of a "pollution incident" shall be deemed to occur at the time of the "pollution incident" that caused it.
4. The extended reporting period provision will reinstate the Aggregate Limit of Insurance, but only for claims first reported under the extended reporting period. The aggregate limit reinstated by this condition does not apply to claims or "pollution incidents" of which "you", "your" employees, agents, partners, stockholders, officers, or directors have knowledge prior to the activation of the extended reporting period.
5. The extended reporting period will not increase the Each Pollution Incident limit of insurance available for a claim or extend the policy period.
6. This extended reporting period provision does not apply to the coverages provided under **Section I**, paragraphs **a.2., Clean-up Costs - Contiguous Locations**, and **a.3., Clean-up Costs - Covered Locations**, of this coverage.
7. The insurance extended by this extended reporting period will be excess over any other valid and collectible insurance available to any "insured", whether primary, excess, contingent or on any other basis, whose policy begins or continues after this extended period begins.

Section VI - Definitions

1. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
2. "Clean-up costs" means expenses for the removal or neutralization of "pollutants".

POLLUTION LIABILITY COVERAGE - CONTINUED

3. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico, and Canada.
4. "Covered location" means the specific location(s) scheduled in the Declarations.
5. "Environmental damage" means the injurious presence of "pollutants" in or upon land, the atmosphere, or any watercourse or body of water.
6. "Insured" means any person or organization qualifying as such under **Section II - Who Is An Insured**.
7. "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, rolling stock, watercraft, or "vehicle".
 - b. While it is in or on an aircraft, rolling stock, watercraft or "vehicle"; or
 - c. While it is being moved from an aircraft, rolling stock, watercraft or "vehicle" to the place where it is finally delivered.

"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, rolling stock, watercraft or "vehicle".

8. "Pollutants" means any bacteria, fungus, mold, yeast or any solid, liquid, gaseous or thermal irritant or contaminant including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
9. "Pollution incident" means the emission, discharge, release, or escape of "pollutants" into or upon land, atmosphere, or any watercourse or body of water that results in "environmental damage". The entirety of any such emission, discharge, release or escape shall be deemed to be one "pollution incident".
10. "Products-completed operations hazard" includes all "bodily injury", "property damage" and "environmental damage" occurring away from premises "you" own or rent and arising out of "your product" or "your work" except:
 - a. Products that are still in "your" physical possession; or
 - b. Work that has not yet been completed or abandoned."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 site has been completed if "your" contract calls for work at more than one site.

- c. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

This hazard does not include "bodily injury", "property damage", or "environmental damage" arising out of:

- a. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it; or
- b. The existence of tools, uninstalled equipment or abandoned or unused materials.

11. "Property damage" means:

- a. Physical injury to, destruction of or contamination of tangible property, including all resulting loss of use of that property; or
- b. Loss of use of tangible property that is not physically injured, destroyed or contaminated, but has been evacuated, withdrawn from use, or rendered inaccessible because of a "pollution incident".

12. "Punitive damages" means damages imposed to punish a wrongdoer or to deter others from similar conduct.

13. "Suit" means a civil proceeding, in the "coverage territory", in which damages because of "bodily injury" or "property damage" or "clean-up costs" from "environmental damage" (to which this insurance applies) are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which "you" must submit or do submit with "our" consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which "you" submit with "our" consent.
- c. An administrative hearing conducted by an authorized regulatory agency or authority.

14. "Underground storage tanks" means any one or combination of tanks, including pipes and pumps connected to these tanks:

- a. That contain or were used to contain an accumulation of regulated or nonregulated substances; and
- b. The volume of the tanks and connected pipes and pumps is 1 percent or more beneath the surface of the ground.

15. "Vehicle" means a land motor vehicle, trailer, semitrailer or mobile equipment including any attached machinery or equipment.

POLLUTION LIABILITY COVERAGE - CONTINUED

16. "Waste facility" means any site to which waste from the operations of a "covered location" is legally consigned for delivery or legally delivered for storage, disposal, processing or treatment, provided that such site:

- a. Is licensed by state or federal authority to perform such storage, disposal, processing or treatment; and
- b. Is not and never was owned by "you" or in "your" care, custody or control.

17. "Waste hauler" means an independent contractor, with an EPA identification number, "you" hire to pick up and dispose of "pollutants" in a manner approved by federal or state laws or regulations.

18. "We", "us" or "our" means the insurance company providing this insurance.

19. "You" or "your" means the Named Insured(s) shown in the Declarations.

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, duration, performance or use of "your product"; and

- b. The providing of or failure to provide warning 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. Providing or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

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

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
 - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)

This endorsement modifies insurance provided under the following:

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

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
 - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or
 - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revision that:
 - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a government share in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
 - a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and
 - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response of federal law.

B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part or Policy.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or

2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or

3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or

5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:

- a. Physical injury that involves a substantial risk of death; or
- b. Protracted and obvious physical disfigurement; or
- c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C.5. or C.6. are exceeded.

With respect to this Exclusion, Paragraphs C.5. and C.6. describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Part or Policy.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

PENNSYLVANIA CHANGES - POLLUTION LIABILITY

This endorsement modifies insurance provided under the following:

POLLUTION LIABILITY COVERAGE

A. Section I - Coverage Paragraph **A.1. Pollution Liability Coverage** is amended by the addition of the following to the portion of the coverage pertaining to our right and duty to defend a "suit" seeking damages to which this insurance applies:

If "we" initially defend a "suit" or pay for the "insured's" defense but later determine that none of the claims for which we provided a defense or defense costs, are covered under this insurance, "we" have the right to reimbursement for the defense costs "we" have incurred.

The right to reimbursement under this provision will only apply to the costs "we" have incurred after "we" notify "you" in writing that there may not be coverage and that "we" are reserving "our" rights to terminate the defense or the payment of defense costs and to seek reimbursement for defense costs.

B. This endorsement amends Section III - Limits Of Insurance And Deductible by deleting Subparagraph **2.** of Paragraph **B. Deductible** and replacing it with the following:

2. "We" may, or will if required by law, pay part or all of the any deductible amount to effect settlement of any claim or "suit". Upon notice of "our" payment of all or part of the deductible, "you" shall reimburse "us" for the part of the deductible "we" paid within 30 days from the date of notice.

All other terms and provisions of the policy remain unchanged.

PENNSYLVANIA ADDITIONAL CONDITIONS CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the:

POLLUTION LIABILITY COVERAGE

The following conditions are added:

A. 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 canceled 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 canceled, "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. Nonrenewal

If "we" decide not to renew this coverage, "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.

Any notice of nonrenewal 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.

C. Increase In 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 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.

All other terms and provisions of the policy remain unchanged.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

POLLUTION LIABILITY COVERAGE

The following exclusion is added:

A. This insurance does not apply:

1. Under any liability coverage, to "bodily injury" or "property damage":

a. With respect to which an "insured" under the policy is also an insured under a Nuclear Energy Liability Policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

b. Resulting from the "hazardous properties" of "nuclear material" and with respect to which:

(1) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

(2) The "insured" would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

2. Under any liability coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

a. The "nuclear material":

(1) Is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured"; or

(2) Has been discharged or dispersed therefrom.

b. The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported, or disposed of, by or on behalf of an "insured".

c. 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, c., applies only to "property damage" to such "nuclear facility" and any property thereat.

B. As used in this endorsement:

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

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

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

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

"Waste" means any waste material:

1. 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 from its "source material" content; and

2. Resulting from the operation by any person or organization of any "nuclear facility" included in the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

1. Any "nuclear reactor";

2. Any equipment or device designed or used for:

a. Separating the isotopes of uranium or plutonium;

b. Processing or utilizing "spent fuel"; or

c. Handling, processing or packaging "waste".

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM) - CONTINUED

3. 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 if uranium 235;
4. Any structure, basin, excavation, premises or place prepared to be used for the storage or disposal of "waste";

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

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

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

All other terms and provisions of the policy remain unchanged.



POLICY NUMBER: A0098742008

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY INFORMATION PAGE

<p>Sentry Insurance a Mutual Company (A Participating Mutual Company) A member of the Sentry Insurance Group 1800 North Point Drive Stevens Point, WI 54481</p>	<p>Carrier Code No 15571 Policy Number A0098742008 Renewal of Policy Number A0098742008</p> <p>Richard Rosson 10000258 440-821-8545</p>
---	---

IMPORTANT NOTICES

Pennsylvania Important Notice – Accident Prevention Services

We are required by 34 Pa. Code § 129.102 to provide our policyholders with accident and illness prevention services. If you would like more information, call 1-800-443-9655. The Pennsylvania Workers' Compensation Act provides an option for you to apply for a 5% premium discount if you form a certified workplace safety committee. Please contact your Sentry Representative for more information.

THIS POLICY IS NON-ASSESSABLE.

ITEM

1. INSURED

First Named Insured: KG Automotive Pittsburgh LLC dba Ken Ganley Toyota
Address: 1110 Clairton Blvd
Pleasant Hills, PA 15236-4560
Phone Number: 412-469-3000
Business Description: Limited liability company

See Schedule of Entities for Other Insured Entities

Other workplaces not shown above:
See Extension of information page

2. POLICY PERIOD

The policy period is from 02/26/2020 to 02/26/2021 at 12:01A.M, Standard Time at the First Named Insured's mailing address shown above.

3. COVERAGE

A. Workers Compensation Insurance: Part One of the policy applies to the workers compensation law of the states listed here:

Pennsylvania

B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident	\$	500,000	Each accident
Bodily Injury by Disease	\$	500,000	Each employee
Bodily Injury by Disease	\$	500,000	Policy limit

C. Other States Insurance: Part Three of the policy applies in all states except those listed in Item 3.A., and the following:
ND OH WA WY

D. This policy includes these Endorsements and Schedules:

Form/Endorsement Number and Edition Date	Form/Endorsement Title
WC 00 00 00 C 01 15	Workers Compensation And Employers Liability Insurance Policy
WC 00 01 15 01 20	Notification Endorsement Of Pending Law Change To Terrorism Risk Insurance Program Reauthorization Act Of 2015
WC 00 04 06 08 84	Premium Discount Endorsement
WC 00 04 14 A 01 19	90-Day Reporting Requirement - Notification Of Change In Ownership Endorsement
WC 00 04 19 01 01	Premium Due Date Endorsement
WC 00 04 21 D 01 15	Catastrophe (Other Than Certified Acts Of Terrorism) Premium Endorsement
WC 00 04 22 B 01 15	Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement
WC 00 04 25 05 17	Experience Rating Modification Factor Revision Endorsement
WC 37 04 01 01 17	Pennsylvania Audit Noncompliance Charge Endorsement
WC 37 06 01 04 84	Special Pennsylvania Endorsement Inspection Of Manuals
WC 37 06 02 04 84	Pennsylvania Notice
WC 37 06 03 A 08 95	Pennsylvania Act 86-1986 Endorsement
WC 37 06 04 10 99	Pennsylvania Employer Assessment Endorsement

4. PREMIUM

The premium for this policy will be determined by our Manuals of Rules, Classification, Rates and Rating Plans. All information required below is subject to verification and change by audit.

See Schedule for premium summary breakdown by state

Classifications	Code No.	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
------------------------	-----------------	--	---------------------------------------	---------------------------------

See Schedule for premium breakdown by state, location and classification

POLICY NUMBER: A0098742008

4. PREMIUM

Total Estimated Standard Premium Excluding Increased Limits			\$	38,434.00
Total Premium Discount			\$	-3,706.00
	9741	Catastrophe (Other Than Certified Acts of Terrorism)	\$	627.00
	9807	Premium Endorsement Increased Limits Premium - Standard Coverage	\$	573.00
	0900	Policy Expense Constant (PA)	\$	295.00
	9740	Terrorism	\$	314.00
Total Estimated Annual Premium			\$	36,537.00
Std Min (PA)			\$	685.00
STD EL MINIMUM (PA)			\$	100.00
*Total Non Premium Charges			\$	669.00
Total Estimate due to this policy			\$	37,206.00

*Non-Premium charges are state mandated tax/assessments/etc

CONTACT INFORMATION

For service, please contact the office at:

Address:	4400 E 53rd St Davenport, IA 52807	Phone:	Toll Free Fax	800-473-6879 888-533-7827
Email:	businessproducts_ssdo@sentry.com			

Policy Issued at: 1800 North Point Drive
Stevens Point, WI 54481

SCHEDULE OF ENTITIES AND LOCATIONS

Entity:	1	Name Link Code	
Named insured:	KG Automotive Pittsburgh LLC dba Ken Ganley Toyota	Entity Type:	Limited liability company
		Federal Id:	XXXXXX6046
Location:	1	Risk ID:	0050547
Address:	1110 Clairton Blvd Pleasant Hills, PA 15236-4560		

SCHEDULE OF CLASS DESCRIPTIONS

Class Code	Class Code Descriptions
0818	Automobile Dealer - New And/Or Used Cars

SCHEDULE OF PREMIUM AND NON-PREMIUM BY STATE

States Not Subject To Retro		Premium	Non-Premium
Pennsylvania	Operations Per Schedule	\$ 36,242.00	\$ 669.00

POLICY NUMBER: A0098742008

**SCHEDULE OF PREMIUM BY STATE, ENTITY, LOCATION AND CLASSIFICATION
STATE - PENNSYLVANIA**

Period: 02/26/2020 - 02/26/2021

Entity name: KG Automotive Pittsburgh LLC dba Ken
Ganley Toyota

Federal Id: XXXXXX6046

Location: 1
Address: 1110 Clairton Blvd
Pleasant Hills, PA 15236-4560

NAICS Code: 441110

Classification	Code No	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
Automobile Dealer - New And/Or Used Cars Class Minimum	0818	\$ 3,135,629.00 \$ 685.00 Total Entity Class Premium	\$1.66	\$ 52,051.00 \$ 52,051.00
Total State Class Premium Premium for Increased Limits Part Two				\$ 52,051.00
	9807	(1.10%) Increased Limits Premium - Standard Coverage		\$ 573.00
Premium subject to Modification				\$ 52,624.00
	9898	Experience Rating Modification Factor (0.852)		\$ -7,788.00
Premium modified to reflect Exp. Mod. of 0.852				\$ 44,836.00
	9887	Schedule Rating Modification Factor (0.870)		\$ -5,829.00
(PA) Estimated Standard Premium				\$ 39,007.00
	0063	(9.50%) Premium Discount (PA)		\$ -3,706.00
	9740	Terrorism (0.010)		\$ 314.00
	9741	Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement (0.020)		\$ 627.00
(PA) Estimated Annual Premium Non-Premium Charges				\$ 36,242.00
	0938	(1.83%) PA Employer Assessment Surcharge		\$ 669.00
Total Estimate due to this State				\$ 36,911.00

*Non-Premium charges are state mandated tax/assessments/etc

POLICY NUMBER: A0098742008

SCHEDULE OF PREMIUM BY STATE, ENTITY, LOCATION AND CLASSIFICATION

The following endorsements apply to this state

Form/Endorsement Number and Edition Date	Form/Endorsement Title
WC 00 00 00 C 01 15	Workers Compensation And Employers Liability Insurance Policy
WC 00 01 15 01 20	Notification Endorsement Of Pending Law Change To Terrorism Risk Insurance Program Reauthorization Act Of 2015
WC 00 04 06 08 84	Premium Discount Endorsement
WC 00 04 14 A 01 19	90-Day Reporting Requirement - Notification Of Change In Ownership Endorsement
WC 00 04 19 01 01	Premium Due Date Endorsement
WC 00 04 21 D 01 15	Catastrophe (Other Than Certified Acts Of Terrorism) Premium Endorsement
WC 00 04 22 B 01 15	Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement
WC 00 04 25 05 17	Experience Rating Modification Factor Revision Endorsement
WC 37 04 01 01 17	Pennsylvania Audit Noncompliance Charge Endorsement
WC 37 06 01 04 84	Special Pennsylvania Endorsement Inspection Of Manuals
WC 37 06 02 04 84	Pennsylvania Notice
WC 37 06 03 A 08 95	Pennsylvania Act 86-1986 Endorsement
WC 37 06 04 10 99	Pennsylvania Employer Assessment Endorsement



Number of pages including cover:

Workers' Compensation Claim Report Fax Cover Sheet

IMMEDIATE ACTION REQUIRED
FIRST REPORT OF INJURY ATTACHED

To: **Sentry Claims Service Center**
Fax #: **800-726-8631**

From: _____
Business Name: KG Automotive Pittsburgh LLC dba Ken Ganley Toyota
Account/Policy Number: A0098742008
Phone #: _____
Fax #: _____

Location Code: _____ Department Code: _____
(if applicable)

PLEASE INDICATE WHICH OF THE FOLLOWING APPLY:

- Lost time involved
 - Employee is currently completely off work
 - Employee is currently working restricted duty or restricted hours
- Medical only claim (involving no lost time from work or wage loss)
- Record only (informational purposes only - no treatment outside the workplace has been sought or prescriptions filled)
- Questionable Claim - Please Investigate**
(Please list concerns on a separate page, not on the First Report of Injury form)

Due to federally mandated Medicare reporting requirements, you must report the date of birth and Social Security number on all WC claims.

Timely reporting of accidents and losses is a critical factor in controlling Workers' Compensation costs. Delays can increase Workers' Compensation costs by 20 to 30 percent and the rate of litigation by as much as 45 percent.

Sentry provides a toll-free fax service to report accidents. It can significantly improve the timely reporting of Workers' Compensation claims by:

- Allowing investigations to start sooner and preventing the loss of critical evidence
- Providing the opportunity to implement medical cost-containment measures to ensure your employees receive quality care at a reasonable cost
- Encouraging prompt resolution of claims, reducing the likelihood of litigation and the potential of fraudulent claims

TO REPORT WORKERS' COMPENSATION CLAIMS BY FAX

Sentry allows you to fax Employer's First Reports to Sentry, eliminating mail delays. We will mail the completed Workers' Compensation First Report of Injury Form to your state's Workers' Compensation bureau, where applicable.

Steps to reporting claims by fax:

1. Complete your state-specific First Report of Injury Form for a Workers' Compensation claim
2. Fill out the fax cover sheet from page 1 of this document based on the specifics of the claim being reported and print off a copy of the completed cover sheet.
3. Fax a copy of the completed cover sheet and your completed First Report of Injury Form to Sentry at:

800-726-8631

Three Ways to Take Control of Your Workers' Compensation Medical Expenses

What you can do to impact the cost of your insurance and favorably add to your company's bottom line.

- 1.** Encourage injured employees to seek treatment from members of the Sentry utilized Workers' Compensation Medical Network offerings. Your employees receive high quality medical care, and you'll benefit from pre-negotiated rates.

In some states, you are allowed to direct the injured worker to a preselected physician for a limited period of time, if you post the names of those doctors in a readily visible area. These states include AL, CO, FL, GA, IA, ID, IN, KS, ME, MI, MO, NJ, NM, NC, PA, SC, TN, UT, VT, and VA.

If your State Workers' Compensation law does not allow you to direct an injured worker to a preselected physician, the injured employee may still appreciate your help in identifying a qualified care provider. However, never infringe on the legal right of injured workers to select their own physicians.

- 2.** **Use the pharmacy network** to fill prescriptions for work-related injuries. Sentry's pharmacy network allows injured employees to have their medications filled at a local pharmacy with no out-of-pocket expense and at a discounted rate to your business. Visit www.workcompauto.optum.com/resources/pharmacy-locator or call 1-877-470-9572 to see a full list of network pharmacies.

Use the First Fill program so your injured employee can immediately receive pharmaceutical care, before the first notice of loss for the claim is fully processed. The program eliminates prescription issues by allowing a pharmacy to identify the carrier and process prescriptions electronically.

In these situations, providing a completed First Fill Prescription Form to a participating pharmacy within 30 days of the injury, Optum will allow a pharmacy to provide a 10-day supply (a Samaritan dose) to the injured employee, if the prescribed medication is part of the standard formulary. If the first notice of loss is not received or the claim is deemed non-compensable, Optum will absorb the cost of the 10-day supply at no cost to you or the injured employee.

- 3.** **Report all injuries promptly** so Sentry can investigate the injury and ensure proper handling. Proper handling of a claim will ensure you get the best treatment at the best price.

Note: Workers' compensation claim handling can vary by state. For example, state regulations may differ on the waiting period before the injured employee can collect wage replacement benefits, or when he or she may be considered well enough to stop workers' compensation benefit payments.

1. Sentry Workers' Compensation Medical Network Frequently Asked Questions

QUESTION: What will the Sentry utilized Coventry Workers' Compensation Medical Network do for me?

ANSWER: It is an excellent tool to control medical expenses, which in turn allows Sentry to provide you with significant, long-term savings.

Medical care costs are a function of both volume and price per unit. By establishing contracts with hospitals, physicians, and outpatient care providers over a multi-year period, caps are obtained on annual increases and substantial discounts are obtained for our insureds who receive treatment from Coventry participating providers.

QUESTION: Must my employees seek medical treatment only from members of the Coventry Workers' Compensation Medical Network?

ANSWER: No. Depending on your state Workers' Compensation laws, your employees may receive treatment either from a provider you select, or from their choice of provider.

You can encourage any injured employee to use a specific participating provider in the Coventry Workers' Compensation Medical Network by placing worksite posters in each of your locations. Your employees will receive high quality medical care, and you'll benefit from the pre-negotiated rates that can decrease your medical costs.

QUESTION: What forms or procedures do I follow to qualify for the discounts offered by the Sentry utilized-Coventry Workers' Compensation Medical Network?

ANSWER: There are no additional forms. Participating providers automatically accept contractual rates for employees covered by a Sentry Workers' Compensation plan.

QUESTION: How can I find out if a hospital or doctor is a participating member of the Coventry Workers' Compensation Medical Network?


ANSWER: You may access participating providers and create a customized worksite poster by visiting the VIIAD website at www.viiad.com/sentry/public. Instructions for accessing participating providers in your area are provided in the 4-step process noted below and are also accessible on the VIIAD Web Site. Or, you may call 800-473-6879, option 1 and option 4 to request the names of providers.

- 1) Access the VIIAD website www.viiad.com/sentry/public
- 2) Select the **Search Providers** option
- 3) Limit your search by ZIP code, State, Mile Radius. If preferred, narrow your search by Hospital/Group Name, Provider Last Name, or Provider Type.
- 4) Click the **Search Providers** action button.

QUESTION: Can I recommend a doctor or hospital to become part of the Coventry Workers' Compensation Medical Network?

ANSWER: Yes. Contact your Sentry sales representative with the name of the provider. To become part of the network, the provider must meet quality assurance requirements, agree to annual cap increases, and negotiate fixed rates of reimbursement for services delivered.

QUESTION: What does the star display mean next to providers that are displayed in the provider search tool and on worksite posters?

ANSWER: The  indicator identifies those WC providers who have been statistically shown to have better overall claim outcomes as compared to their peers and should be referred to whenever possible or as applicable by state law.

HOW TO CREATE WORKSITE POSTERS

To create a worksite poster to display participating providers close to your business:

- Step 1 Visit the Workers' Compensation Web site
www.viiad.com/sentry/public.
- Step 2 Choose the Worksite Poster option.
- Step 3 Enter Employer Name, Location ID, Address, City/State/Zip, Phone, Fax and document name.
- Step 4 Create Worksite Poster action button.
- Step 5 Edit or add providers or provider categories through the Add Category, Search and Add new action buttons.
- Step 6 Select Create Provider Panel action button.
- Step 7 E-mail, Print or Fax Worksite poster directly from the site.



2. RETAIL PRESCRIPTION PROGRAM

Sentry Insurance is pleased to provide a pharmacy benefits program that can help reduce your Workers' Compensation costs - Optum.

Optum applies extensive clinical expertise along with workflow-driven technology to improve claims outcomes, increase efficiency, and reduce the total cost of prescription drugs while raising the quality of care for injured workers.

This program includes:

- A First Fill program
- Comprehensive drug utilization review applied to all retail, mail-order, and paper transactions
- Efficient processes to minimize third-party billing
- A network with more than 65,000 participating pharmacies
- 24/7 multilingual support

We have enclosed a first fill form for your convenience.

If you have any questions, contact Optum at 1-877-470-9572, Sentry Insurance at 1-800-473-6879, or your sales representative.



Optum
PO Box 152539
Tampa, FL 33684-2539

MAKING IT EASY... TO GET WORKERS' COMPENSATION PRESCRIPTIONS FILLED.

Optum has been chosen to manage your workers' compensation pharmacy benefits for your employer or their insurer. Below is your First Fill card that will allow you to receive your injury-related prescriptions at your local pharmacy. Please fill out the card based on the instructions below.

Injured Employee:



If you need a prescription filled for a work-related injury or illness, go to an Optum Tmesys® network pharmacy. Give this temporary card to the pharmacist. The pharmacist will fill your prescription at low or no cost to you.



If your workers' compensation claim is accepted, you will receive a more permanent pharmacy card in the mail. Please use that card for other work-related injury or illness prescriptions.



Most pharmacies and all major chains are included in the network. To find a network pharmacy call 1-877-470-9572 or visit www.tmesys.com.

Questions? Need Help?



1-877-470-9572

WORKERS' COMPENSATION PRESCRIPTION DRUG PROGRAM	
Sentry Insurance	
CARRIER/TPA	EMPLOYER
INJURED WORKER NAME	
Please provide directly to Pharmacist	
SOCIAL SECURITY NUMBER	DATE OF INJURY (YYMMDD)
Notice to Cardholder: Present this card to the pharmacy to receive medication for your work-related injury. To locate a pharmacy: tmesys.com .	

Attention Pharmacists: Enter RxBIN, RxPCN and GROUP. Member ID # format is the date of injury and SSN combined as follows: YYMMDD123456789.	
Tmesys is the designated PBM for this patient.	
Tmesys Pharmacy Help Desk	
1-800-964-2531	
	NDC Envoy
RxBIN	004261 or 002538
RxPCN	CAL or Envoy Acct. #
GROUP	SNTRFF

NOTE: This First Fill card is only valid for your workers' compensation injury or illness.



Employer:

Immediately upon receiving notice of injury, fill in the information above and give this form to the employee.

The following entities comprise the Optum Workers Compensation and Auto No Fault division: PMSI, LLC, dba Optum Workers Compensation Services of Florida; Progressive Medical, LLC, dba Optum Workers Compensation Services of Ohio; Cypress Care, Inc. dba Optum Workers Compensation Services of Georgia; Healthcare Solutions, Inc., dba Optum Healthcare Solutions of Georgia; Settlement Solutions, LLC, dba Optum Settlement Solutions; Procura Management, Inc., dba Optum Managed Care Services; Modern Medical, dba Optum Workers Compensation Medical Services, collectively and individually referred as "Optum."

tmesys®

IMP14-1813-34_SNTRFF



Optum
PO Box 152539
Tampa, FL 33684-2539

HACEMOS MÁS SENCILLO... EL ABASTECIMIENTO DE LAS RECETAS MÉDICAS DEL PROGRAMA DE COMPENSACIÓN POR ACCIDENTES LABORALES.

Optum ha sido elegido para administrar los beneficios farmacéuticos de su programa de compensación por accidentes laborales para su empleador o su asegurador. Más adelante incluimos su tarjeta First Fill que le permitirá recibir las recetas médicas relacionadas con su lesión en su farmacia local. Llene esta tarjeta siguiendo las instrucciones que se indican a continuación.

Empleado lesionado:



Si necesita que se le abastezca su receta médica para una lesión o enfermedad relacionada con su trabajo, visite una farmacia de la red Optum Tmesys®. Entregue esta tarjeta temporal al farmacéutico. El farmacéutico abastecerá su receta médica bajo costo o sin costo alguno.




Si se acepta su reclamación del programa de compensación por accidentes laborales, recibirá una tarjeta permanente por correo. Use esa tarjeta para otras recetas médicas de lesiones o enfermedades relacionadas con su trabajo.



La mayoría de farmacias y todas las grandes cadenas de farmacias, forman parte de la red. Para encontrar una farmacia de la red, llame al 1-877-470-9572 o visite www.tmesys.com.

¿Tiene alguna pregunta?
¿Necesita ayuda?

 **1-877-470-9572**

WORKERS' COMPENSATION PRESCRIPTION DRUG PROGRAM	
Sentry Insurance	_____
PORTADORA	EMPLEADOR
NOMBRE DEL TRABAJADOR LESIONADO _____	
Please provide directly to Pharmacist	
NUMERO DE SEGURO SOCIAL _____	FECHA DE ALA LESION (AAMMDD) _____
Aviso para el titular de la tarjeta: Presente esta tarjeta a la farmacia para recibir los medicamentos para la lesión relacionada con su trabajo. Para ubicar una farmacia, visite tmesys.com .	

Attention Pharmacists: Enter RxBIN, RxPCN and GROUP. Member ID # format is the date of injury and SSN combined as follows: YYMMDD123456789.

Tmesys is the designated PBM for this patient.

Tmesys Pharmacy Help Desk
1-800-964-2531

	<u>NDC</u>	or	<u>Envoy</u>
RxBIN	004261	or	002538
RxPCN	CAL	or	Envoy Acct. #
GROUP	SNTRFF		

NOTA: Esta tarjeta First Fill solo es válida para una lesión o enfermedad cubierta por su programa de compensación por accidentes laborales.



Empleador:

Inmediatamente después de recibir un aviso sobre una lesión, llene la información antes indicada y entregue este formulario al empleado.

The following entities comprise the Optum Workers Compensation and Auto No Fault division: PMSI, LLC, dba Optum Workers Compensation Services of Florida; Progressive Medical, LLC, dba Optum Workers Compensation Services of Ohio; Cypress Care, Inc. dba Optum Workers Compensation Services of Georgia; Healthcare Solutions, Inc., dba Optum Healthcare Solutions of Georgia; Settlement Solutions, LLC, dba Optum Settlement Solutions; Procura Management, Inc., dba Optum Managed Care Services; Modern Medical, dba Optum Workers Compensation Medical Services, collectively and individually referred as "Optum."



IMP14-1813-34_SNTRFF

**REMEMBER: IT IS IMPORTANT
TO TELL YOUR EMPLOYER
ABOUT YOUR INJURY**

The name, address and telephone number of your employer's workers' compensation insurance company, third-party administrator (TPA), or person handling workers' compensation claims for your company, are shown below.

Employer Name: KG Automotive Pittsburgh LLC dba Ken Ganley Toyota **Date Posted:** _____

IF INSURED:
(Complete all applicable spaces)

Name of Insurance Company:
Sentry Insurance a Mutual Company

Address: 4400 E 53rd St
Davenport, IA 52807

Telephone Number: 800-473-6879

Insurer Code: 0005

**IF SOMEONE OTHER THAN INSURER IS
HANDLING CLAIMS:**
(Complete all applicable spaces)

Name of TPA (Claims administrator):

Address:

Telephone Number: _____

IF SELF-INSURED:
(Complete all applicable spaces)

Name of person handling claims at
the self-insured:

Address:

Telephone Number: _____

Insurer Code: _____

**IF SOMEONE OTHER THAN SELF-INSURER IS
HANDLING CLAIMS:**
(Complete all applicable spaces)

Name of TPA (Claims administrator):

Address:

Telephone Number: _____

Any individual filing misleading or incomplete information knowingly and with the intent to defraud is in violation of Section 1102 of the Pennsylvania Workers' Compensation Act, 77 P.S. §1039.2, and may also be subject to criminal and civil penalties under 18 Pa. C.S.A. §4117 (relating to insurance fraud).

**Employer Information
Services**
717.772.3702

Claims Information Services
toll-free inside PA: 800.482.2383
local & outside PA: 717.772.4447

Hearing Impaired
PA Relay 7-1-1

Email
ra-li-bwc-helpline@pa.gov

*Auxiliary aids and services are available upon request to individuals with disabilities.
Equal Opportunity Employer/Program*

WORKERS' COMPENSATION INFORMATION

To all employees:

The workers' compensation law in Pennsylvania provides wage loss and medical benefits to employees who cannot work, or who need medical care, because of a work-related injury.

Benefits are required to be paid by your employer when self-insured, or through insurance provided by your employer. Your employer is required to post the name of the company responsible for paying workers compensation benefits at its primary place of business and at its sites of employment in a prominent and easily accessible place, including, without limitation, areas used for treatment of injured employees or for the administration of first aid.

You should report immediately any injury or work-related illness to your employer.

Your benefits could be delayed or denied if you do not notify your employer immediately.

If your claim is denied by your employer, you have the right to request a hearing before a workers' compensation judge.

The Bureau of Workers' Compensation cannot provide legal advice. However, you may contact the Bureau of Workers' Compensation for additional general information at:

Bureau of Workers' Compensation
1171 South Cameron Street, Room 103
Harrisburg, PA 17104-2501
Telephone number within Pennsylvania: 800-482-2383
Telephone number outside of this Commonwealth: 717-772-4417
TTY- 800-362-4228 (for hearing and speech impaired only)
www.state.pa.us, PA Keyword: workers comp.

I, _____, employee of KG Automotive Pittsburgh LLC dba Ken Ganley Toyota (employer), certify that I received, read, and understood the information provided above on my date of hire _____ (date).

If applicable, I, _____, employee of KG Automotive Pittsburgh LLC dba Ken Ganley Toyota (employer), certify that I received, read, and understood the above information on _____ (the date of work-related injury or disease).

PENNSYLVANIA - POLICYHOLDER NOTICE OF DEDUCTIBLE OPTION

The Pennsylvania Legislature passed Act 44 of 1993. This bill requires each insurer issuing a Workers' Compensation Policy for a Pennsylvania insured to offer optional deductibles. The deductible choices are shown below.

If a deductible option is chosen, you will be liable for the amount of the deductible for benefits paid for each compensable claim of work injury suffered by an employee. We will pay all or part of the deductible amount, which ever is applicable to a compensable claim, to the person or provider entitled to the benefits under Workers Compensation Statutes and then seek reimbursement from you for the applicable deductible amount.

If you are interested in more information on deductibles or any other information regarding your policy please contact our representative or write our office. We sincerely appreciate your business and hope that our service will continue to receive your approval.

OPTIONAL DEDUCTIBLE AMOUNTS

\$ 1,000

5,000

10,000

Pennsylvania Workplace Safety Committee Certification Program

Employers that establish a safety committee that has been approved by the Department of Labor and Industry are eligible for a 5% premium reduction.

The basic safety committee requirements are as follows:

- Committees must have a minimum of 2 employer and 2 employee representatives, meet monthly and be in operation for at least 6 full months.
- All committee members must be trained by qualified trainers in safety committee operation, hazard inspection and accident investigation.
- Committee meeting agendas, attendance lists and meeting minutes must be kept.

The program must be submitted and certified by the:

Health & Safety Division
Bureau of Workers' Compensation.
Certification Section
1171 S. Cameron Street
Harrisburg, PA 17104

Premium reductions apply for a one year period beginning the first policy effective after receipt of certification. The employer must annually renew the certification of an employers' workplace safety committee provide their insurer with proper documentation.

For information about the Safety Committee Certification process and requirements, please contact 717-772-1635 or visit:
<http://www.dli.state.pa.us> and click on the link for the Safety Committee Certification Program.

POLICYHOLDER NOTICE

NEW YORK OUT-OF-STATE EMPLOYERS

The New York Workers Compensation Board enforces New York Workers' Compensation Law (WCL) verifying that employers maintain proper New York Workers' Compensation Coverage.

The New York Compensation Board issued a policy statement on their website to address out-of-state employers. The policy states that employers meeting any of the following criteria will be required to maintain New York WC coverage (New York must be listed in **Item 3A** of the Policy Information Page):

- The employer (as defined in the WCL) is required to register with the NYS Department of Labor and pay Unemployment Insurance for any period in question.
- The employer has a permanent physical location in New York or has employees whose primary work location is in New York.
- The employer is operating in New York under a permit, contract, or license granted by the State of New York, its counties or any municipality as defined under Subsection 57 of the Workers' Compensation Law.
- The employer is working as a contractor/general contractor/subcontractor on a construction project in New York.
- In the previous year, the employer had employees physically in New York for at least 40 hours of every week for a period of longer than 2 consecutive weeks or had employees present in New York for 25 or more individual days (e.g. - 5 employees working for 5 days in New York equals 25 individual employee days). Employees traveling through the state of New York not stopping for deliveries, pick-ups, or other work are not deemed to have worked in New York. An employer that has reason to know that it will meet these criteria in the current year, even if it has not done so in the prior year, must obtain the required coverage.

Out-of-state employers that are sending employees into New York that are only attending infrequent (not more than one per month) meetings, seminars, conferences or conventions in New York will not be required to provide full statutory coverage.

Failure to provide required New York coverage may result in fines and penalties.

Additional information may be obtained on the Board's website: <http://www.wcb.ny.gov>.

Please contact your Sentry Representative to add New York to your Workers' Compensation policy if you anticipate meeting any of the above criteria or if you have questions.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

GENERAL SECTION

A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

PART ONE WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

E. Other Insurance

We will not pay more than our share of benefits and costs covered by this insurance and other

(Ed. 1-15)

insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. Recovery From Others

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. Statutory Provisions

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.

5. This insurance conforms to the parts of the workers compensation law that apply to:
 - a. benefits payable by this insurance;
 - b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;

2. For care and loss of services; and
3. For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee; provided these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and
4. Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. Exclusions

This insurance does not cover:

1. Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. Bodily injury intentionally caused or aggravated by you;
6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 U.S.C. Sections 901 et seq.), the Nonappropriated Fund Instrumentalities Act (5 U.S.C. Sections 8171 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. Sections 1331 et seq.), the Defense Base Act (42 U.S.C. Sections 1651-1654), the Federal Mine Safety and Health Act (30 U.S.C. Sections 801 et seq. and 901-944), any

other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;

9. Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 U.S.C. Sections 51 et seq.), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;
10. Bodily injury to a master or member of the crew of any vessel, and does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law;
11. Fines or penalties imposed for violation of federal or state law; and
12. Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. Sections 1801 et seq.) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. Litigation costs taxed against you;
4. Interest on a judgment as required by law until we offer the amount due under this insurance; and
5. Expenses we incur.

(Ed. 1-15)

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

1. **Bodily Injury by Accident.** The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. **Bodily Injury by Disease.** The limit shown for "bodily injury by disease-policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease-each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. Actions Against Us

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE OTHER STATES INSURANCE

A. How This Insurance Applies

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.

4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE PREMIUM

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. all your officers and employees engaged in work covered by this policy; and
2. all other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancellation table and procedure. Final premium will not be less than the minimum premium.

F. Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

**PART SIX
CONDITIONS**

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

A. Inspection

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

D. Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice.
4. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

NOTIFICATION ENDORSEMENT OF PENDING LAW CHANGE TO TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2015

This endorsement is being attached to your workers compensation and employers liability insurance policy. This endorsement does not replace the separate Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 B) that is attached to your current policy and which remains in effect as applicable.

The Terrorism Risk Insurance Act of 2002 (TRIA), as previously amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA 2015), provides for a program under which the federal government will share in the payment of insured losses caused by certain acts of terrorism. In the absence of affirmative US Congressional action to extend, update, or otherwise reauthorize TRIPRA 2015, in whole or in part, TRIPRA 2015 is scheduled to expire on December 31, 2020.

Since the timetable for any further Congressional action regarding TRIPRA 2015 is presently unknown, and exposure to acts of terrorism remains, we are providing policyholders with relevant information concerning their workers compensation policies in the event of the TRIPRA 2015's expiration.

Your policy provides coverage for workers compensation losses caused by acts of terrorism, including workers compensation benefit obligations dictated by state law, except in Pennsylvania, where injuries or deaths resulting from certain war-related activities are excluded from workers compensation coverage. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy.

The premium charge for the coverage that your policy provides for terrorism losses is shown in Item 4 of the policy Information Page or the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 B) Schedule that is attached to your policy. This amount may continue or change for new, renewal, and in-force policies in effect on or after December 31, 2020, in the event of TRIPRA 2015's expiration, subject to regulatory review in accordance with applicable state law.

You need not do anything further at this time.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium:

Insurance Company

Countersigned by _____

WC 00 01 15
(Ed. 1-20)

© Copyright 2018 National Council on Compensation Insurance, Inc. All Rights Reserved.

PREMIUM DISCOUNT ENDORSEMENT

The premium for this policy and the policies, if any, listed in Item 3 of the Schedule may be eligible for a discount. This endorsement shows your estimated discount in Items 1 or 2 of the Schedule. The final calculation of premium discount will be determined by our manuals and your premium basis as determined by audit. Premium subject to retrospective rating is not subject to premium discount.

Schedule

1. State	Estimated Eligible Premium			
Pennsylvania	First	Next	Next	
	\$5,000	\$95,000	\$400,000	Balance
	0.00%	10.90%	12.60%	14.40%

- 2. Average percentage discount: _____ %
- 3. Other policies:
- 4. If there are no entries in Items 1, 2 and 3 of the Schedule, see the Premium Discount Endorsement attached to your policy number:

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective Insured	Policy No.	Endorsement No. Premium
Insurance Company	Countersigned by _____	

WC 00 04 06
(Ed. 8-84)
© 1983 National Council on Compensation Insurance.

90-DAY REPORTING REQUIREMENT-NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

You must report any change in ownership to us in writing within 90 days of the date of the change. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity, and other changes provided for in the applicable experience rating plan. Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes.

Failure to report any change in ownership, regardless of whether the change is reported within 90 days of such change, may result in revision of the experience rating modification factor used to determine your premium.

This reporting requirement applies regardless of whether an experience rating modification is currently applicable to this policy.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective Policy No. Endorsement No.
Insured Premium

Insurance Company Countersigned by _____

WC 00 04 14 A

(Ed. 1-19)

Electronically Filed 04/09/2020 15:48 / LGV 20 931791 / Confirmation Nbr. 1982739 / CLSLP
Copyright © 2017 National Council on Compensation Insurance, Inc. All Rights Reserved.

A0098742008
Sentry Insurance a Mutual Company

PREMIUM DUE DATE ENDORSEMENT

This endorsement is used to amend:

Section D. of Part Five of the policy is replaced by this provision.

PART FIVE
PREMIUM

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium \$

Insurance Company

Countersigned by _____

WC 00 04 19

(Ed. 1-01)

Electronically Filed 04/06/2020 15:48 / GV 20 931791 / Confirmation Nbr. 1982739 / CLSLP

A0098742008
Sentry Insurance a Mutual Company

CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREMIUM ENDORSEMENT

This endorsement is notification that your insurance carrier is charging premium to cover the losses that may occur in the event of a Catastrophe (other than Certified Acts of Terrorism) as that term is defined below. Your policy provides coverage for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism). This premium charge does not provide funding for Certified Acts of Terrorism contemplated under the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 B), attached to this policy.

For purposes of this endorsement, the following definitions apply:

- Catastrophe (other than Certified Acts of Terrorism): Any single event, resulting from an Earthquake, Noncertified Act of Terrorism, or Catastrophic Industrial Accident, which results in aggregate workers compensation losses in excess of \$50 million.
- Earthquake: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity.
- Noncertified Act of Terrorism: An event that is not certified as an Act of Terrorism by the Secretary of Treasury pursuant to the Terrorism Risk Insurance Act of 2002 (as amended) but that meets all of the following criteria:
 - a. It is an act that is violent or dangerous to human life, property, or infrastructure;
 - b. The act results in damage within the United States, or outside of the United States in the case of the premises of United States missions or air carriers or vessels as those terms are defined in the Terrorism Risk Insurance Act of 2002 (as amended); and
 - c. It is an act that has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- Catastrophic Industrial Accident: A chemical release, large explosion, or small blast that is localized in nature and affects workers in a small perimeter the size of a building.

The premium charge for the coverage your policy provides for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism) is shown in Item 4 of the Information Page or in the Schedule below.

Schedule

State	Rate	Premium
--------------	-------------	----------------

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective Insured

Policy No.

Endorsement No. Premium

Insurance Company

Countersigned by _____

WC 00 04 21 D
(Ed. 1-15)

© Copyright 2015 National Council on Compensation Insurance, Inc. All Rights Reserved.
Electronically Filed 04/09/2020 15:48 / / CV 20 931791 / Confirmation Nbr. 1982739 / CLSLP

A0098742008
Sentry Insurance a Mutual Company

TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015. It serves to notify you of certain limitations under the Act, and that your insurance carrier is charging premium for losses that may occur in the event of an Act of Terrorism.

Your policy provides coverage for workers compensation losses caused by Acts of Terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

Definitions

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

“Act” means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto, including any amendments resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2015.

“Act of Terrorism” means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.
- d. The act has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

“Insured Loss” means any loss resulting from an act of terrorism (and, except for Pennsylvania, including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.

“Insurer Deductible” means, for the period beginning on January 1, 2015, and ending on December 31, 2020, an amount equal to 20% of our direct earned premiums, during the immediately preceding calendar year.

Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed \$100,000,000,000 in a calendar year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds \$100,000,000,000; and for aggregate Insured Losses up to \$100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceed:
 - a. \$100,000,000, with respect to such Insured Losses occurring in calendar year 2015, the United States Government would pay 85% of our Insured Losses that exceed our Insurer Deductible.
 - b. \$120,000,000, with respect to such Insured Losses occurring in calendar year 2016, the United States Government would pay 84% of our Insured Losses that exceed our Insurer Deductible.
 - c. \$140,000,000, with respect to such Insured Losses occurring in calendar year 2017, the United States Government would pay 83% of our Insured Losses that exceed our Insurer Deductible.
 - d. \$160,000,000, with respect to such Insured Losses occurring in calendar year 2018, the United States Government would pay 82% of our Insured Losses that exceed our Insurer Deductible.
 - e. \$180,000,000, with respect to such Insured Losses occurring in calendar year 2019, the United States Government would pay 81% of our Insured Losses that exceed our Insurer Deductible.
 - f. \$200,000,000, with respect to such Insured Losses occurring in calendar year 2020, the United States Government would pay 80% of our Insured Losses that exceed our Insurer Deductible.

WC 00 04 22 B

(Ed. 1-15)

Electronic filing of this policy on 04/09/2020 15:48 / / CV 20 931791 / Confirmation Nbr. 1982739 / CLSLP
 Copyright © 2015 National Council on Compensation Insurance, Inc. All Rights Reserved.

A0098742008

Sentry Insurance a Mutual Company

2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceed \$100,000,000,000.
3. The premium charge for the coverage your policy provides for Insured Losses is included in the amount shown in Item 4 of the Information Page or in the Schedule below.

Schedule

State

Rate

Premium

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium

Insurance Company

Countersigned by _____

EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT

This endorsement is added to Part Five—Premium of the policy.

The premium for the policy is adjusted by an experience rating modification factor. The factor shown on the Information Page may be revised and applied to the policy in accordance with our manuals and endorsements. We will issue an endorsement to show the revised factor, if different from the factor shown, when it is calculated.

PENNSYLVANIA AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT

Part Five - Premium, Section G. (Audit) of the Workers Compensation and Employers Liability Insurance Policy is revised by adding the following:

If you do not allow us to examine and audit all of your records that relate to this policy, and/or do not provide audit information as requested, we may apply an Audit Noncompliance Charge (ANC).

The charge is determined by applying the ANC Multiplier to the ANC Basis shown in the table below:

ANC Basis	ANC Multiplier
Estimated Annual Premium	Two times

If you allow us to examine and audit all of your records after we have applied an ANC, we will remove the ANC and revise your premium in accordance with our manuals and Part 5 - Premium, E. (Final Premium) of this policy.

The application of the ANC is subject to the following conditions:

- a) Carriers must comply with all applicable state laws and/or regulations related to audits of workers compensation insurance policies.
- b) The Audit Noncompliance Charge Endorsement is optional. When used, the Audit Noncompliance Charge Endorsement and/or applicable state-specific endorsement must be attached to the policy at inception of the policy term being audited.
- c) The carrier must make two attempts to obtain the audit information and/or complete the audit. At each attempt, the carrier must notify the employer regarding the specific required records and the amount of the ANC to be applied if the employer continues to refuse to comply with the audit.
- d) The carrier must adequately document the audit file regarding the above attempts to obtain the required audit information.

These ANC conditions apply to mail/email, telephone, computer (remote access), and physical audits, unless otherwise provided by state law.

The scenarios listed below may occur and are treated as follows:

If an ANC is applied and the employer...	Then the carrier...
Pays the ANC and later allows the audit	<ul style="list-style-type: none"> ● Performs the final audit and determines the final policy premium based on the results of the audit; and ● Refunds the ANC to the employer, or applies the ANC amount to any outstanding balance on the policy <p>Submits a unit statistical correction report to remove the ANC from the previously reported Unit Statistical data</p>
Does not pay the ANC but later allows the audit	Performs the final audit and determines the final policy premium based on the results of the audit
Pays the ANC but does not later allow the audit	Does not change the previously reported: <ul style="list-style-type: none"> ● Unit Statistical data
Does not pay the ANC and does not later allow the audit.	<ul style="list-style-type: none"> ● Noncompliance transactions

SPECIAL PENNSYLVANIA ENDORSEMENT-INSPECTION OF MANUALS

The manuals of rules, rating plans, and classifications are approved pursuant to the provisions of Section 654 of the Insurance Company Law of May 17, 1921, P.L. 682, as amended, and are on file with the Insurance Commissioner of the Commonwealth of Pennsylvania.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement	Effective Policy No.	Endorsement No.
Insured		Premium

Insurance Company	Countersigned by _____
-------------------	------------------------

WC 37 06 01

(Ed. 4-84)

Electronically Filed 04/09/2020 15:48 / GV 20 931791 / Confirmation Nbr. 1982739 / CLSLP

A0098742008
Sentry Insurance a Mutual Company

PENNSYLVANIA NOTICE

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 of omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual, malice, or gross negligence.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement	Effective Policy No.	Endorsement No.
Insured		Premium
Insurance Company	Countersigned by _____	

WC 37 06 02

(Ed. 4-84)

Electronically Filed 04/09/2020 15:48 / GV 20 931791 / Confirmation Nbr. 1982739 / CLSLP

Electronic Pennsylvania Workers Compensation Rating Bureau

A0098742008
Sentry Insurance a Mutual Company

PENNSYLVANIA ACT 86-1986 ENDORSEMENT

NONRENEWAL, NOTICE OF INCREASE OF PREMIUM, AND RETURN OF UNEARNED PREMIUM

This endorsement applies only to the insurance provided by the policy because Pennsylvania is shown in Item 3.A. of the Information Page.

The policy conditions are amended by adding the following regarding nonrenewal, notice of increase in premium, and return of unearned premium.

Nonrenewal

- 1. We may elect not to renew the policy. We will mail to each named insured, by first class mail, not less than 60 days advance notice stating when the nonrenewal will take effect. Mailing that notice to you at your mailing address last known to us will be sufficient to prove notice.
2. Our notice of nonrenewal will state our specific reasons for not renewing.
3. If we have indicated our willingness to renew, we will not send you a notice of nonrenewal. However, the policy will still terminate on its expiration date if:
a. you notify us or the agent or broker who procured this policy that you do not want the policy renewed; or
b. you fail to pay all premiums when due; or
c. you obtain other insurance as a replacement of the policy.

Notice of Increase in Premium

- 1. We will provide you with not less than 30 days advance notice of an increase in renewal premium of this policy, if it is our intent to offer such renewal.
2. The above notification requirement will be satisfied if we have issued a renewal policy more than 30 days prior to its effective date.
3. If a policy has been written or is to be written on a retrospective rating plan basis, the notice of increase in premium provision of this endorsement does not apply.

Return of Unearned Premium

- 1. If this policy is canceled and there is unearned premium due you:
a. If the Company cancels, the unearned premium will be returned to you within 10 business days after the effective date of cancelation.
b. If you cancel, the unearned premium will be returned within 30 days after the effective date of cancelation.
2. Because this policy was written on the basis of an estimated premium and is subject to a premium audit, the unearned premium specified in 1.a. and 1.b. above, if any, shall be returned on an estimated basis. Upon our completion of computation of the exact premium, an additional return premium or charge will be made to you within 15 days of the final computation.
3. These return of unearned premium provisions shall not apply if this policy is written on a retrospective rating plan basis.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Insured Effective Policy No. Endorsement No. Premium

Insurance Company Countersigned by

WC 37 06 03 A

(Ed. 8-95)

Electronically Filed 04/09/2020 15:48 / GV 20 931791 / Confirmation Nbr. 1982739 / CLSLP

A0098742008
Sentry Insurance a Mutual Company

PENNSYLVANIA EMPLOYER ASSESSMENT ENDORSEMENT

Act 57 of 1997 requires that “. . . the assessments for the maintenance of the Subsequent Injury Fund, the Workmen’s Compensation supersedes Fund and the Workmen’s Compensation Administration Fund under sections 306.2, 443 and 446 of the act of June 2, 1915 (P.L. 736, No. 338), known as the “Workers’ Compensation Act, shall be imposed, collected and remitted through insurers in accordance with regulations promulgated by the Department of Labor and Industry.”

EMPLOYER ASSESSMENT FORMULA:

Employer Assessment = Act of 1997 Employer Assessment Factor X Employer Assessment Premium Base

Act 57 of 1997 Employer Assessment Factor

A factor expressed to four decimal places proposed by the Pennsylvania Compensation Rating Bureau and approved by the Pennsylvania Insurance Commissioner.

Employer Assessment Premium Base

Calculation of Employer Assessment Premium Base proceeds by adding back to the total policy premium the amount of any Small Deductible Premium Credit or Large Deductible Premium Credit.

Table with 2 columns: EMPLOYER ASSESSMENT FACTOR (0.0183) and EMPLOYER ASSESSMENT (\$669.00). Includes CODE 0938 above the columns.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective Insured Policy No. Endorsement No. Premium \$

Insurance Company Countersigned by _____

WC 37 06 04 (Ed. 10-99)

IMPORTANT NOTICE - PENNSYLVANIA INSURANCE FRAUD WARNING

Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and payment of a fine of up to \$15,000.

PENNSYLVANIA IMPORTANT NOTICE REGARDING UNINSURED MOTORISTS (UM) AND UNDERINSURED MOTORISTS (UIM) COVERAGES

We are offering an opportunity for you to review your current coverage to determine if you would like to make changes with regard to Pennsylvania Uninsured and/or Underinsured Motorists Coverage.

Pennsylvania Law requires carriers to offer Uninsured Motorists Coverage and Underinsured Motorists Coverage. If you purchase either or both of these coverages, the law requires that the coverages be SEPARATE and OPTIONAL.

Uninsured Motorists (UM) coverage protects you (or any person qualifying as an insured) against damages you are legally entitled to recover from a driver who does not have insurance coverage.

Underinsured Motorists (UIM) coverage protects you (or any person qualifying as an insured) against damages you are legally entitled to recover from a driver who does not have enough bodily injury liability insurance.

If you have selected Uninsured Motorists and/or Underinsured Motorists coverage, you may have an option to stack the limits of this coverage.

"Stacking" means you can claim a total of the amounts of Uninsured Motorists (or Underinsured Motorists) coverage assigned to each motor vehicle in your policy. That is, the coverage you have on all your motor vehicles is added together (stacked) to total the limit of benefit available to you.

If you select "non-stacked" coverage, the limit shown in the policy Declarations is the most that will be paid for all damages resulting from an accident. You will pay a lower premium if "non-stacked" coverage is selected.

NOTE: Not all policyholders are eligible for "stacked" coverage. If the named insured as designated in the policy Declarations is an individual only the named insured and his/her family members are eligible for "stacked" coverage. Partnerships, limited liability companies, corporations and any other forms of organization are generally NOT eligible for "stacked" coverage. In addition, if your policy insures a fleet of five or more motor vehicles, your policy is not eligible for "stacked" coverage.

Please contact your Sentry Representative if you have any questions or want to change your Uninsured and/or Underinsured Motorists coverage options.



ACCOUNT NUMBER: A0098742

COMMON POLICY DECLARATIONS

Sentry Select Insurance Company (A Participating Stock Company) A member of the Sentry Insurance Group 1800 North Point Drive Stevens Point, WI 54481	Producer Richard Rosson 10000258 440-821-8545
---	--

GENERAL INFORMATION

First Named Insured: Ken Ganley
Address: 1110 Clairton Blvd
 Pleasant Hills, PA 15236-4560
Business Type: Individual

Unless stated elsewhere, the coverage provided under this policy is effective 02/26/2020 to 02/26/2021 at 12:01 A.M. Standard Time at your mailing address shown above.

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

NAMED INSUREDS

The **FIRST NAMED INSURED** shown in the **GENERAL INFORMATION** above, and the person(s) or organization(s) shown as **NAMED INSUREDS** below are named insureds for this policy.

Not Applicable

COVERAGES

This Contract consists of the following Coverages:

COMMERCIAL AUTO COVERAGE A0098742006

CONTACT INFORMATION

For service, please contact your Sentry Account Manager at the number listed above or our Service office at:

Address: 1800 North Point Drive **Phone:** Toll Free 800-473-6879
 Stevens Point, WI 54481 **Fax:** 800-514-7191
Email: businessproducts_direct@sentry.com

COMMON POLICY FORMS AND/OR ENDORSEMENTS

The following forms and/or endorsements apply to all coverages included as part of this policy:

Form/Endorsement Number and Edition Date	Form/Endorsement Title
80 2314 SSDO 05 00 IL 00 17 11 98	Additional Conditions - Membership And Participation Common Policy Conditions

ACCOUNT NUMBER: A0098742

These declarations together with the common policy conditions, coverage part declarations, coverage part coverage form(s) and forms and endorsements, if any, issued to form a part thereof, complete the above numbered policy.

ADDITIONAL CONDITIONS - PARTICIPATION

Participation

You will share in any dividends in accordance with conditions established by the Board of Directors.

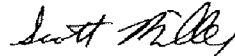
The first page of Declarations names the company issuing this policy. The officer signatures which correspond to That Company are a part of this policy. None of the other signatures apply to this policy.

SENTRY SELECT INSURANCE COMPANY

Stevens Point, Wisconsin



Secretary



President

COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

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

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

- c. Recommend changes.

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

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

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

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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



POLICY NUMBER: A0098742006

BUSINESS AUTO COVERAGE DECLARATIONS

Sentry Select Insurance Company (A Participating Stock Company) A member of the Sentry Insurance Group 1800 North Point Drive Stevens Point, WI 54481	Producer Richard Rosson 10000258 440-821-8545
---	--

ITEM ONE

POLICY INFORMATION

First Named Insured: Ken Ganley
Address: 1110 Clairton Blvd
 Pleasant Hills, PA 15236-4560

The Business Auto Coverage applies from 02/26/2020 to 02/26/2021 at 12:01 A.M. Standard Time at the First Named Insured's mailing address shown above.

APPLICABLE FORMS AND ENDORSEMENTS

In addition to the common policy forms and endorsements, the following forms and endorsements apply to the Business Auto Coverage:

Form/Endorsement Number and Edition Date	Form/Endorsement Title
CA 00 01 10 13	Business Auto Coverage Form
CA 01 80 06 16	Pennsylvania Changes
CA 21 92 10 13	Pennsylvania Uninsured Motorists Coverage - Nonstacked
CA 21 93 10 13	Pennsylvania Underinsured Motorists Coverage - Nonstacked
CA 23 84 10 13	Exclusion Of Terrorism
CA 23 94 10 13	Silica Or Silica-Related Dust Exclusion For Covered Autos Exposure
CA 87 16 10 13	Individual Named Insured
IL 00 21 09 08	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
IL 01 20 10 13	Pennsylvania Changes - Defense Costs
IL 02 46 09 07	Pennsylvania Changes - Cancellation And Nonrenewal
IL 09 10 07 02	Pennsylvania Notice
IL 80 04 07 16	Exclusion - Infectious Or Communicable Disease

ITEM TWO

Schedule of Coverages and Covered Autos

Rental Vehicle Collision Coverage

Subject to the collision deductible stated below, your collision coverage applies to an “auto” rented on a temporary basis.

This policy provides only those coverages, shown below. Each of these coverages will apply only to those “autos” shown as covered “autos”. “Autos” are shown as covered “autos” for a particular coverage by the entry of one or more of the symbols from the **Covered Autos** Section of the Business Auto Coverage Form next to the name of the coverage.

Coverages	Covered Autos	Limit
Covered Autos Liability	08	\$500,000
Uninsured Motorists	08	\$500,000
Underinsured Motorists	08	\$500,000
Physical Damage - Comprehensive Coverage	08	Actual cash value or cost of repair, whichever is less, minus a \$100 deductible for each covered auto. No deductible applies to loss caused by fire or lightning.
Physical Damage – Collision Coverage	08	Actual cash value or cost of repair, whichever is less, minus a \$250 deductible for each covered auto.

BUSINESS AUTO COVERAGE FORM

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

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

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

Section I - Covered Autos

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to any power units described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
----	--	---

B. Owned Autos You Acquire After The Policy Begins

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol **7** is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

Section II - Covered Autos Liability Coverage

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a covered "auto".

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
- (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
- (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
- (5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.

c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed, we will:

- (1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the 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.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to:

- a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph a. above.

6. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or

- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

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

- a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed;
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "insured"; or
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. War

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

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

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

Section III - Physical Damage Coverage

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

b. Specified Causes Of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. Collision Coverage

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage - Hitting A Bird Or Animal - Falling Objects Or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

a. Transportation Expenses

We will pay up to \$20 per day, to a maximum of \$600, for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

b. Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicates that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for any covered "auto"; or

- (3) Collision only if the Declarations indicates that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. Exclusions

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

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or Military Action

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

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. We will not pay for "loss" due and confined to:

- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

4. We will not pay for "loss" to any of the following:

- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.

- b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.

- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.

- d. Any accessories used with the electronic equipment described in Paragraph c. above.

5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- a. Permanently installed in or upon the covered "auto";

- b. Removable from a housing unit which is permanently installed in or upon the covered "auto";

- c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or

- d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

6. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limits Of Insurance

1. The most we will pay for:

- a. "Loss" to any one covered "auto" is the lesser of:

- (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or

- (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

- b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss" is \$1,000, if, at the time of "loss", such electronic equipment is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;

- (2) Removable from a permanently installed housing unit as described in Paragraph **b.(1)** above; or
 - (3) An integral part of such equipment as described in Paragraphs **b.(1)** and **b.(2)** above.
2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
 3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage Deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

Section IV - Business Auto Conditions

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

2. Duties In The Event Of Accident, Claim, Suit Or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
 - (1) How, when and where the "accident" or "loss" occurred;

- (2) The "insured's" name and address; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:
- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
 - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
 - (4) Authorize us to obtain medical records or other pertinent information.
 - (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

c. If there is "loss" to a covered "auto" or its equipment, you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Covered Autos Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment - Physical Damage Coverages

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation Or Fraud

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

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own; or
- (2) Primary while it is connected to a covered "auto" you own.

b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".

d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if a covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less,

provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

Section V - Definitions

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Auto" means:
 1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or

2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:

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

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph 6.b. or 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".

F. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

G. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

H. "Insured contract" means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort Liability means a liability that would be imposed by law in the absence of any contract or agreement; or

6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or

c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

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

J. "Loss" means direct and accidental loss or damage.

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

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

2. Vehicles maintained for use solely on or next to premises you own or rent;

3. Vehicles that travel on crawler treads;

4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers; or
6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
 - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- M. "Property damage" means damage to or loss of use of tangible property.
- N. "Suit" means a civil proceeding in which:
 1. Damages because of "bodily injury" or "property damage"; or
 2. A "covered pollution cost or expense"; to which this insurance applies, are alleged.
 "Suit" includes:
 - a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- O. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- P. "Trailer" includes semitrailer.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. Changes In Covered Autos Liability Coverage

The following is added to Paragraph **2.a. Supplementary Payments**:

Prejudgment interest awarded against the "insured" on the part of the judgment we pay. Any prejudgment interest awarded against the "insured" is subject to the applicable Pennsylvania Rules of Civil Procedure.

B. Changes In Conditions

1. Paragraph **2.b.(5) of the Duties In The Event Of An Accident, Claim, Suit Or Loss Condition** is replaced by the following:

(5) After we show good cause, submit to examination at our expense, by physicians of our choice.

2. The following is added to Paragraph **5. Transfer Of Rights Of Recovery Against Others To Us Condition**:

If we make any payment due to an "accident" and the "insured" recovers from another party in a separate claim or "suit", the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid less reasonable attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

3. The following paragraph is added to the **Other Insurance Condition**:

If you are a motor vehicle dealer as defined in the Pennsylvania Board of Vehicles Act, 63 Pa. Stat. Ann. § 818.2, then:

a. For any "auto" you own, which is loaned to a customer as a temporary substitute for an "auto" insured under a "customer's private passenger automobile insurance policy" which is out of use because it is being transported, serviced, repaired or inspected, Covered Autos Liability, but only with respect to damages because of "bodily injury" and Physical Damage Coverage provided by this Coverage Form shall be excess in the event of an "accident" or "loss".

b. For any "auto" insured under your "customer's private passenger automobile insurance policy", while it is being transported, serviced, repaired or inspected by you or your "employee":

(1) Covered Autos Liability, but only with respect to damages because of "bodily injury";

- (2) Comprehensive Coverage;
 - (3) Specified Cause Of Loss Coverage; and/or
 - (4) Collision Coverage;
- provided by this Coverage Form shall be primary in the event of an "accident" or "loss".

4. The following is added to Paragraph **B. General Conditions:**

a. Constitutionality Clause

The premium for, and the coverages of, this Coverage Form have been established in reliance upon the provisions of the Pennsylvania Motor Vehicle Financial Responsibility Law. In the event a court, from which there is no appeal, declares or enters a judgment, the effect of which is to render the provisions of such statute invalid or unenforceable in whole or in part, we shall have the right to recompute the premium payable for the Coverage Form and void or amend the provisions of the Coverage Form, subject to the approval of the Insurance Commissioner.

b. Conformity Clause

If you are a motor vehicle dealer as defined in the Pennsylvania Board of Vehicles Act, 63 Pa. Stat. Ann. § 818.2, then whenever an "auto" insured under your "customer's private passenger automobile insurance policy" is being transported, serviced, repaired or inspected by you or your "employee":

- (1) The provisions of the:
 - (a) Covered Autos Liability, but only with respect to damages because of "bodily injury";

- (b) Comprehensive Coverage;
 - (c) Specified Cause Of Loss Coverage; and/or
 - (d) Collision Coverage;
- provided by this Coverage Form are hereby amended to conform to 40 Pa. Stat. Ann. § 991.2007a; and

- (2) Pursuant to 40 Pa. Stat. Ann. § 991.2007a, the Limits Of Insurance provided in the Schedule or in the Declarations are hereby increased as needed to an amount equal to the:

- (a) Applicable limit(s);
 - (b) Actual cash value; and/or
 - (c) Amount necessary to repair or replace the property with other property of like kind and quality;
- set forth in the "customer's private passenger automobile insurance policy".

C. Changes In Definitions

For motor vehicle dealers as defined in the Pennsylvania Board of Vehicles Act, 63 Pa. Stat. Ann. § 818.2, the following definition is added:

"Customer's private passenger automobile insurance policy" means a private passenger automobile insurance policy that:

- 1. Is currently in effect; and
- 2. Lists an "auto" owned by your customer or a "customer's auto" in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA UNINSURED MOTORISTS COVERAGE - NONSTACKED

For a covered "motor vehicle" licensed or principally garaged in, or "auto dealer operations" conducted in, Pennsylvania, this endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESS AUTO COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:
Endorsement Effective Date:

SCHEDULE

Limit Of Insurance: \$	Each "Accident"
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an "uninsured motor vehicle".
2. No judgment for damages arising out of a "suit" brought against the owner or operator of an "uninsured motor vehicle" is binding on us unless we:
 - a. Received reasonable notice of the pendency of the "suit" resulting in the judgment; and
 - b. Had a reasonable opportunity to protect our interests in the "suit".

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
 - a. The Named Insured and any "family members".
 - b. Anyone else "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":

- a. Anyone "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
- b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

C. Exclusions

This insurance does not apply to any of the following:

1. Any claim settled without our consent. However, this exclusion does not apply if such settlement does not adversely affect our rights of recovery under this coverage.
2. The direct or indirect benefit of any insurer or self-insurer under any disability benefits or similar law, except workers' compensation law.
3. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
4. Punitive or exemplary damages.
5. "Bodily injury" sustained by:
 - a. An individual Named Insured while "occupying" or when struck by any vehicle owned by that Named Insured that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form;
 - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form; or
 - c. Any "family member" while "occupying" or when struck by any vehicle owned by the Named Insured that is insured for Uninsured Motorists Coverage on a primary basis under any other Coverage Form or policy.
6. "Bodily injury" arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

1. Regardless of the number of covered "motor vehicles", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the Limit Of Insurance for Uninsured Motorists Coverage shown in the Schedule or Declarations.
2. Any amount payable for damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible. This includes all sums paid for the same damages under this Coverage Form's Covered Autos Liability Coverage. This also includes all sums paid for an "insured's" attorney either directly or as part of the amount paid to the "insured".
3. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage form, Medical Payments Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any disability benefits or similar law, except workers' compensation law.

E. Changes In Conditions

The Conditions are changed for Pennsylvania Uninsured Motorists Coverage - Nonstacked as follows:

1. **Duties In The Event Of Accident, Claim, Suit Or Loss** in the Business Auto and Motor Carrier Coverage Forms and **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** in the Auto Dealers Coverage Form are changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved; and
 - b. Promptly send us copies of the legal papers if a "suit" is brought.

2. **Legal Action Against Us** is replaced by the following:

Legal Action Against Us

- a. No one may bring a legal action against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form.
- b. Any legal action against us under this Coverage Form must be brought within four years after the date on which the "insured" knows of the uninsured status of the owner or driver of the "uninsured motor vehicle". However, this Paragraph b. does not apply to an "insured" if, within four years after the date on which the "insured" knows of the uninsured status of the owner or driver of the "uninsured motor vehicle", we or the "insured" has made a written demand for arbitration in accordance with the provisions of this endorsement.

3. **Transfer Of Rights Of Recovery Against Others To Us** is changed by adding the following:

If we make any payment due to an "accident" involving an "uninsured motor vehicle" and the "insured" recovers from another party in a separate claim or "suit", the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid, less reasonable attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

4. **Other Insurance** in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance - Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form are replaced by the following:

- a. If there is other applicable similar insurance available under more than one Coverage Form or policy, the following priorities of recovery apply:

First	The Uninsured Motorists Coverage applicable to the vehicle the "insured" was "occupying" at the time of the "accident".
Second	The Coverage Form or policy affording Uninsured Motorists Coverage to the "insured" as an individual Named Insured or "family member".

- b. Where there is no applicable insurance available under the first priority, the maximum recovery under all Coverage Forms or policies in the second priority may equal but not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy affording coverage to an individual Named Insured or "family member".
- c. Where there is applicable insurance available under the first priority:
 - (1) The Limit of Insurance applicable to the vehicle the "insured" was "occupying" under the Coverage Form or policy in the first priority shall first be exhausted; and
 - (2) The maximum recovery under all Coverage Forms or policies in the second priority may equal but not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy affording coverage to an individual Named Insured or "family member".
- d. If two or more Coverage Forms or policies have equal priority:
 - (1) The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority;
 - (2) The insurer thereafter is entitled to recover pro rata contribution from any other insurer on the same level of priority for the benefits paid and the costs of processing the claim.

5. The following condition is added:

Arbitration

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. Additional Definitions

As used in this endorsement:

- 1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption, who is a resident of such Named Insured's household, including a ward or foster child.
- 2. "Occupying" means in, upon, getting in, on, out or off.
- 3. "Uninsured motor vehicle" means a land motor vehicle or "trailer":
 - a. For which no liability bond or policy applies at the time of an "accident".
 - b. For which an insuring or bonding company:
 - (1) Denies coverage;
 - (2) Is or becomes insolvent; or
 - (3) Is or becomes involved in insolvency proceedings.

- c. For which neither the driver nor owner can be identified. The vehicle or "trailer" must:

- (1) Hit an "insured", a covered "motor vehicle" or a vehicle an "insured" is "occupying"; or
- (2) Cause an "accident" resulting in "bodily injury" to an "insured" without hitting an "insured", a covered "motor vehicle" or a vehicle an "insured" is "occupying".

If there is no physical contact with the hit-and-run vehicle, the facts of the "accident" must be proved.

However, an "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or who becomes insolvent and cannot provide the amounts required by that motor vehicle law; or
 - b. Designed for use mainly off public roads while not on public roads.
- 4. "Motor vehicle" means a vehicle which is self-propelled, except one which is propelled solely by human power or by electric power obtained from overhead trolley wires, but does not mean a vehicle operated upon rails.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA UNDERINSURED MOTORISTS COVERAGE - NONSTACKED

For a covered "motor vehicle" licensed or principally garaged in, or "auto dealer operations" conducted in, Pennsylvania, this endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESS AUTO COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:
Endorsement Effective Date:

SCHEDULE

Limit Of Insurance: \$	Each "Accident"
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "underinsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an "underinsured motor vehicle".
2. We will pay under this coverage only if Paragraph a. or b. below applies:
 - a. The limits of any applicable liability bonds or policies have been exhausted by payment of judgments or settlements; or
 - b. A tentative settlement has been made between an "insured" and the insurer of the "underinsured motor vehicle" and we:
 - (1) Have been given prompt written notice of such tentative settlement; and

- (2) Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

3. No judgment for damages arising out of a "suit" brought against the owner or operator of an "underinsured motor vehicle" is binding on us unless we:
 - a. Received reasonable notice of the pendency of the "suit" resulting in the judgment; and
 - b. Had a reasonable opportunity to protect our interests in the "suit".

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
 - a. The Named Insured and any "family members".

b. Anyone else "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.

c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":

a. Anyone "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.

b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

C. Exclusions

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer or self-insurer under any disability benefits or similar law, except workers' compensation law.

2. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.

3. Punitive or exemplary damages.

4. "Bodily injury" sustained by:

a. An individual Named Insured while "occupying" or when struck by any vehicle owned by that Named Insured that is not a covered "auto" for Underinsured Motorists Coverage under this Coverage Form;

b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Underinsured Motorists Coverage under this Coverage Form; or

c. Any "family member" while "occupying" or when struck by any vehicle owned by the Named Insured that is insured for Underinsured Motorists Coverage on a primary basis under any other Coverage Form or policy.

5. "Bodily injury" arising directly or indirectly out of:

a. War, including undeclared or civil war;

b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

1. Regardless of the number of covered "motor vehicles", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the Limit Of Insurance for Underinsured Motorists Coverage shown in the Schedule or Declarations.

2. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage form, Medical Payments Coverage endorsement or Uninsured Motorists Coverage endorsement attached to this Coverage Part.

We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any disability benefits or similar law, except workers' compensation law.

E. Changes In Conditions

The Conditions are changed for Pennsylvania Underinsured Motorists Coverage - Nonstacked as follows:

1. **Duties In The Event Of Accident, Claim, Suit Or Loss** in the Business Auto and Motor Carrier Coverage Forms and **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** in the Auto Dealers Coverage Form are changed by adding the following:

a. Promptly send us copies of the legal papers if a "suit" is brought.

b. A person seeking Underinsured Motorists Coverage must also promptly notify us, in writing, of a tentative settlement between the "insured" and the insurer of the "underinsured motor vehicle" and allow us 30 days to advance payment to the "insured" in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such "underinsured motor vehicle".

2. **Legal Action Against Us** is replaced by the following:

Legal Action Against Us

- a. No one may bring a legal action against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form.
- b. Any legal action against us under this Coverage Form must be brought within four years after the date on which the "insured" either settles with, or receives a judgment against, the owner or driver of the "underinsured motor vehicle".
- c. Paragraph 2.b. above of this condition does not apply if, within four years after the date on which the "insured" either settles with, or receives a judgment against, the owner or driver of the "underinsured motor vehicle":
 - (1) We or the "insured" has made a written demand for arbitration in accordance with the provisions of this endorsement; or
 - (2) The "insured" has filed an action for "bodily injury" against the owner or operator of the "underinsured motor vehicle" and such action is:
 - (a) Filed in a court of competent jurisdiction; and
 - (b) Not barred by the applicable state statute of limitations.

In the event that the four-year time limitation identified in this condition does not apply, the applicable state statute of limitations will govern legal action against us under this Coverage Form.

3. **Transfer Of Rights Of Recovery Against Others To Us** is changed by adding the following:

If we make any payment due to an "accident" involving an "underinsured motor vehicle" and the "insured" recovers from another party in a separate claim or "suit", the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid, less reasonable attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

Our rights do not apply under this provision with respect to Underinsured Motorists Coverage if we:

- a. Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of an "underinsured motor vehicle"; and
- b. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Underinsured Motorists Coverage; and
- b. We also have a right to recover the advanced payment.

4. **Other Insurance** in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance - Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form are replaced by the following:

- a. If there is other applicable similar insurance available under more than one Coverage Form or policy, the following priorities of recovery apply:

First	The Underinsured Motorists Coverage applicable to the vehicle the "insured" was "occupying" at the time of the "accident".
Second	The Coverage Form or policy affording Underinsured Motorists Coverage to the "insured" as an individual Named Insured or "family member".

- b. Where there is no applicable insurance available under the first priority, the maximum recovery under all Coverage Forms or policies in the second priority may equal but not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy affording coverage to an individual Named Insured or "family member".

c. Where there is applicable insurance available under the first priority:

(1) The Limit of Insurance applicable to the vehicle the "insured" was "occupying" under the Coverage Form or policy in the first priority shall first be exhausted; and

(2) The maximum recovery under all Coverage Forms or policies in the second priority may equal but not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy affording coverage to an individual Named Insured or "family member".

d. If two or more Coverage Forms or policies have equal priority:

(1) The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority;

(2) The insurer thereafter is entitled to recover pro rata contribution from any other insurer for the benefits paid and the costs of processing the claim.

5. The following condition is added:

Arbitration

a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "underinsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption, who is a resident of such Named Insured's household, including a ward or foster child.

2. "Occupying" means in, upon, getting in, on, out or off.

3. "Underinsured motor vehicle" means a vehicle for which the sum of all liability bonds or policies that apply at the time of an "accident" does not provide at least the amount an "insured" is legally entitled to recover as damages.

However, an "underinsured motor vehicle" does not include any vehicle designed for use mainly off public roads while not on public roads.

4. "Motor vehicle" means a vehicle which is self-propelled, except one which is propelled solely by human power or by electric power obtained from overhead trolley wires, but does not mean a vehicle operated upon rails.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY

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

A. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury, damage, loss or expense, is enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information or mechanical system; and

b. When one or both of the following apply:

- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury, damage, loss or expense" means any injury, damage, loss or expense covered under any Coverage Form or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "loss", loss of use, rental reimbursement after "loss" or "covered pollution cost or expense", as may be defined under this Coverage Form, Policy or any applicable endorsement.

B. Except with respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage, Garagekeepers Coverage - Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, the following exclusion is added:

Exclusion Of Terrorism

We will not pay for "any injury, damage, loss or expense" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury, damage, loss or expense" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury, damage, loss or expense. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or

2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs **B.5.** and **B.6.** are exceeded.

With respect to this exclusion, Paragraphs **B.5.** and **B.6.** describe the thresholds used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Policy or any applicable endorsement.

- C. With respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage, Garagekeepers Coverage - Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, the following exclusion is added:

Exclusion Of Terrorism

We will not pay for any "loss", loss of use or rental reimbursement after "loss" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold in Paragraph **C.5.** is exceeded.

With respect to this exclusion, Paragraph **C.5.** describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Policy or any applicable endorsement.

D. In the event of any incident of "terrorism" that is not subject to the exclusion in Paragraph **B.** or **C.**, coverage does not apply to "any injury, damage, loss or expense" that is otherwise excluded under this Coverage Form, Policy or any applicable endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION FOR COVERED AUTOS EXPOSURE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. The following exclusion is added to Covered Autos Liability Coverage:

Silica Or Silica-related Dust Exclusion For Covered Autos Exposure

This insurance does not apply to:

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. 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. Additional Definitions

As used in this endorsement:

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.

INDIVIDUAL NAMED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

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

If you are an individual, the policy is changed as follows:

A. Changes In Covered Autos Liability Coverage

1. The **Fellow Employee Exclusion** does not apply to "bodily injury" to you or any "family member's" fellow "employees".

2. Personal Auto Coverage

If a Covered Auto Liability Coverage covered "auto" symbol is entered in the Declarations:

a. The following is added to the **Who Is An Insured** provision:

"Family members" are "insureds" for any covered "auto" you own of the "private passenger type" and any other "auto" described in Paragraph **2.b.** of this endorsement.

b. Any "auto" you don't own is a covered "auto" while being used by you or by any "family member" except:

(1) Any "auto" owned by any "family members".

(2) Any "auto" furnished or available for your or any "family members" regular use.

(3) Any "auto" used by you or by any of your "family members" while working in a business of selling, servicing, repairing or parking "autos".

(4) Any "auto" other than an "auto" of the "private passenger type" used by you or any of your "family members" while working in any other business or occupation.

c. The Pollution Exclusion and, if forming a part of the policy, the Nuclear Energy Liability Exclusion (Broad Form), do not apply to any covered "auto" of the "private passenger type".

d. The following exclusion is added and applies only to "private passenger type" covered "autos":

This insurance does not apply to:

"Bodily injury" or "property damage" for which an "insured" under the policy is also an "insured" under a nuclear energy liability policy or would be an "insured" but for its termination upon its exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, Mutual Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or any of their successors. This exclusion does not apply to "autos" registered or principally garaged in New York.

B. Changes In Physical Damage Coverage Personal Auto Coverage

If a Physical Damage coverage covered "auto" symbol is shown in the Declarations, a "non-owned auto" will also be considered a covered "auto". However, the most we will pay for "loss" to a "non-owned auto" which is a "trailer" is \$500.

C. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage, or adoption who is a resident of your household, including a ward or foster child.

2. The words "you" and "your" include your spouse if a resident of the same household except for notice of cancellation.

3. When the phrase "private passenger type" appears in quotation marks it includes any covered "auto" you own of the pickup or van type not used for business purposes, other than farming or ranching.

4. "Non-owned auto" means any "private passenger type" "auto", pickup, van or trailer not owned by or furnished or available for the regular use of you or any "family member", while it is in the custody of or being operated by your or any "family member".

All other terms and provisions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

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

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

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

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

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

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

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

"Nuclear facility" means:

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

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

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES - DEFENSE COSTS

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART - LEGAL LIABILITY COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART - MORTGAGEHOLDER'S ERRORS AND OMISSIONS COVERAGE FORM
 ELECTRONIC DATA LIABILITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCT WITHDRAWAL COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 UNDERGROUND STORAGE TANK COVERAGE PART

A. The provisions of Paragraph **B.** are added to all Insuring Agreements that set forth a duty to defend under:

1. Section **I** of the Commercial General Liability, Commercial Liability Umbrella, Electronic Data Liability, Employment-related Practices Liability, Farm, Liquor Liability, Medical Professional Liability, Owners And Contractors Protective Liability, Pollution Liability, Product Withdrawal, Products/Completed Operations Liability, Railroad Protective Liability and Underground Storage Tank Coverage Parts, Auto Dealers Coverage Form and the Farm Umbrella Liability Policy;
2. Section **II** under the Auto Dealers, Business Auto and Motor Carrier Coverage Forms;
3. Section **III** under the Auto Dealers and Motor Carrier Coverage Forms;
4. Section **A.** Coverage under the Legal Liability Coverage Form; and

5. Coverage **C** - Mortgageholder's Liability under the Mortgageholder's Errors And Omissions Coverage Form.

Paragraph **B.** also applies to any other provision in the policy that sets forth a duty to defend.

B. If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that none of the claims ("claims"), for which we provided a defense or defense costs, are covered under this insurance, we have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement under this provision will only apply to the costs we have incurred after we notify you in writing that there may not be coverage and that we are reserving our rights to terminate the defense or the payment of defense costs and to seek reimbursement for defense costs.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 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.

PENNSYLVANIA NOTICE

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 certificates insuring risks located in Pennsylvania.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - INFECTIOUS OR COMMUNICABLE DISEASE

This endorsement modifies the coverage provided under the following:

- COMMERCIAL AUTOMOBILE COVERAGE PART
- COMMERCIAL EXCESS/UMBRELLA COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS COVERAGE PART

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

A. The following exclusion is added:

EXCLUSION - INFECTIOUS OR COMMUNICABLE DISEASE

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual or alleged transmission of an "infectious or communicable disease"; or
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 an "infectious or communicable disease"; 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, an "infectious or communicable disease".
3. 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 an "infectious or communicable disease";

- b. Failure to prevent the spread of an "infectious or communicable disease"; or
- c. Failure to report an "infectious or communicable disease" to authorities.

B. The following definition is added:

"Infectious or communicable disease":

1. Means an illness or contamination resulting from an infectious agent or its by-products that occurs through the direct or indirect transmission by an infected human or animal host, organism or from the inanimate environment to a human or animal host; and
2. Includes, but is not limited to, Acquired Immune Deficiency Syndrome (AIDS); Chronic Wasting Disease (CWD); Ebola; Escherichia coli (E. coli); Hepatitis, Human Immunodeficiency Virus (HIV); Influenza, including, but not limited to, all strains and mutations of avian, human or swine; Measles, Methicillin-resistant Staphylococcus Aureus (MRSA), Salmonellosis; Severe Acute Respiratory Syndrome (SARS); Sexually Transmitted Diseases (STDs); Transmissible Spongiform Encephalopathy (TSE), including Bovine Spongiform Encephalopathy (BSE, or mad cow disease); Tuberculosis and West Nile Virus.