

Divine Word Radio, Inc.
Policy Period 12/23/2015 – 2016

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LHQ A522711 01

The Hanover Insurance Company (A Stock Company)
440 Lincoln Street, Worcester, MA 01653-0002
Commercial Line Policy
Common Declarations

AE

Policy Number	Policy Period		Coverage is Provided in the:	Agency Code
	From	To		
LHQ A522711 01	12/23/2015	12/23/2016	The Hanover Insurance Company	5102243

Named Insured and Address :

Agent :

DIVINE WORD RADIO INC
14 W GADSDEN STREET
PENSACOLA FL 32502

BB&T- ATLANTIC RISK MGMT

5850 WATERLOO RD #240
COLUMBIA MD 21045

Branch : Maryland
Policy Period : **From** 12/23/2015 **To** 12/23/2016
12:01 A.M. Standard Time at Your Mailing Address Shown Above.
Business Description: Catholic Radio Station
Legal Entity: Non Profit

In Consideration of the premium, insurance is provided the Named Insured with respect to those premises described in the attached schedule(s) for which a specific limit of insurance is shown. This is subject to all terms of this policy including Common Policy Conditions. Coverage Parts, Forms and Endorsements may be subject to adjustment and/or a policy minimum premium.

Commercial General Liability Coverage	\$1,461.00
Commercial Auto Coverage	Not Covered
Total Surcharges Premium	N/A
Additional Premium For Policy Minimum	N/A
** Total	\$1,461.00

**INCLUDES PREMIUM, IF ANY, FOR TERRORISM; REFER TO DISCLOSURE NOTICE

Countersigned _____ By David J. Paul

4 Pay - 25% Down

Group Number ZJA

"You may call The Hanover Insurance Company's telephone number for information or to make a complaint: 800-446-8379".

DIVINE WORD RADIO INC

LHQ A522711 01

BB&T- ATLANTIC RISK MGMT

Doing Business As (DBA): DIVINE WORD COMMUNICATIONS

Locations of All Premises You Own, Rent or Occupy

Location: 1

14 W GADSDEN STREET
Pensacola FL
32502

Forms Applicable to all Coverage Parts:

*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
* 401-0023B	02/14	Breakdown Of Florida Taxes, Surcharges And Assessments Notice To Policyholders
* 401-1127	01/15	Notice - Acceptance Of Terrorism Coverage and Disclosure Of Premium
* 401-1374	01/15	Offer Disclosure Pursuant To Terrorism Risk Insurance Act
IL 00 03	09/08	Calculation of Premium
IL 00 17	11/98	Common Policy Conditions
IL 00 21	09/08	Nuclear Energy Liability Exclusion Endorsement
SIG 11 00	08/14	Signature Page

DIVINE WORD RADIO INC

LHQ A522711 01

BB&T- ATLANTIC RISK MGMT

Commercial General Liability Coverage Part Declaration

Audit Frequency: Annual

Limits of Insurance:

General Aggregate Limit	\$2,000,000
Products-Completed Operations Aggregate Limit	\$2,000,000
Each Occurrence Limit	\$1,000,000
Personal and Advertising Injury Limit	\$1,000,000
Damage to Premises Rented to You Limit	\$100,000
Medical Expense Limit, Any One Person	\$10,000
General Liability Deductible:	
Total Advance Commercial General Liability Premium	\$1,461.00

THIS POLICY CONTAINS AGGREGATE LIMITS; REFER TO SECTION III - LIMITS OF INSURANCE FOR DETAILS

Forms Applicable to General Liability Coverage Parts:

*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
421-0022	12/90	Asbestos Liability Exclusion
421-0444	04/07	Exclusion - Electromagnetic Radiation
* 421-0452	12/14	Additional Insured - Primary and Non-Contributory
* 421-2915	12/14	Commercial General Liability Broadening Endorsement
* 421-2916	12/14	Commercial General Liability Enhancement Endorsement
* 421-2959	12/14	Commercial General Liability Enhancement Notice to Policyholders
* 421-2960	12/14	Commercial General Liability Generic Notice to Policyholders
* 421-2974	12/14	ISO Changes Notice to Policyholders
* CG 00 01	04/13	Commercial General Liability Coverage Form - Occurrence
CG 02 20	03/12	Florida Changes - Cancellation And Non Renewal
CG 04 35	12/07	Employee Benefits Liability Coverage
* CG 21 06	05/14	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - With Limited Bodily Injury Exception
CG 21 44	07/98	Limitation of Coverage to Designated Premises or Project
CG 21 47	12/07	Employment - Related Practices Exclusion
CG 21 67	12/04	Fungi or Bacteria Exclusion
* CG 21 70	01/15	Cap On Losses From Certified Acts of Terrorism
CG 21 96	03/05	Silica or Silica-Related Dust Exclusion
* CG 22 91	04/13	Exclusion - Telecommunication Equipment Or Service Providers Errors And Omissions
CG 24 04	05/09	Waiver of Transfer of Rights of Recovery Against Others to Us
* CG 33 53	05/14	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - With Limited Bodily Injury Exception



DIVINE WORD RADIO INC

LHQ A522711 01

BB&T- ATLANTIC RISK MGMT

Commercial General Liability Classification Schedule Declaration

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	FL	006	18575	334	\$154,500 Receipts (Sales)	1,000	2.693	\$416.00
1	FL	006	18575	336	\$154,500 Receipts (Sales)	1,000	2.904	\$449.00

Telecommunication Equipment Providers

Miscellaneous/Optional General Liability Coverages

Advance Premium

Employee Benefits Coverage	\$296.00
Waiver of Subrogation	\$50.00
CGL Enhancement	\$250.00

Additional Premium for Coverage Minimum: N/A

Total Advance General Liability Premium \$1,461.00

Subline	334	Premises and Operations
Subline	336	Products and/or Completed Operations

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – PRIMARY AND NON-CONTRIBUTORY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. **Other Insurance**:

Additional Insured – Primary and Non-Contributory

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an Additional Insured under **SECTION II – WHO IS AN INSURED**, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the Additional Insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

(1) Primary Insurance

This insurance is primary to other insurance that is available to the Additional Insured which covers the

Additional Insured as a Named Insured. We will not seek contribution from any other insurance available to the Additional Insured except:

- (a) For the sole negligence of the Additional Insured;
- (b) When the Additional Insured is an Additional Insured under another primary liability policy; or
- (c) When (2) 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 (3) below.

(2) Excess Insurance

- (a) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) That is Fire insurance for premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner;
 - (iii) That is insurance purchased by the Additional Insured to cover the Additional Insured's liability as a tenant for "property

damage" to premises rented to the Additional Insured or temporarily occupied by the Additional with permission of the owner; or

- (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY.**

- (b) When this insurance is excess, we will have no duty under Coverages **A** or **B** 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.
- (c) When this insurance is excess over other Insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
 - (i) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - (ii) The total of all deductible and self insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

(3) Method Of Sharing

- (a) If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.
- (b) If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL GENERAL LIABILITY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SUMMARY OF COVERAGES

1.	Additional Insured by Contract, Agreement or Permit	Included
2.	Additional Insured – Primary and Non-Contributory	Included
3.	Blanket Waiver of Subrogation	Included
4.	Bodily Injury Redefined	Included
5.	Broad Form Property Damage – Borrowed Equipment, Customers Goods & Use of Elevators	Included
6.	Knowledge of Occurrence	Included
7.	Liberalization Clause	Included
8.	Medical Payments	Included
9.	Newly Acquired or Formed Organizations - Covered until end of policy period	Included
10.	Non-owned Watercraft	51 ft.
11.	Supplementary Payments Increased Limits	
	- Bail Bonds	\$2,500
	- Loss of Earnings	\$1000
12.	Unintentional Failure to Disclose Hazards	Included
13.	Unintentional Failure to Notify	Included

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

1. Additional Insured by Contract, Agreement or Permit

The following is added to **SECTION II – WHO IS AN INSURED**:

Additional Insured by Contract, Agreement or Permit

- a. Any person or organization with whom you agreed in a written contract, written agreement or permit that such person or organization to add an additional insured on your policy is an additional insured only with respect to liability for “bodily injury”, “property damage”, or “personal and advertising injury” caused, in whole or in part, by your acts or omissions, or the acts or omissions of those acting on your behalf, but only with respect to:

- (1) "Your work" for the additional insured(s) designated in the contract, agreement or permit;

- (2) Premises you own, rent, lease or occupy; or

- (3) Your maintenance, operation or use of equipment leased to you.

- b. The insurance afforded to such additional insured described above:

- (1) Only applies to the extent permitted by law; and

- (2) Will not be broader than the insurance which you are required by the contract, agreement or permit to provide for such additional insured.

- (3) Applies on a primary basis if that is required by the written contract, written agreement or permit.
 - (4) Will not be broader than coverage provided to any other insured.
 - (5) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto.
- c. This provision does not apply:
- (1) Unless the written contract or written agreement was executed or permit was issued prior to the "bodily injury", "property damage", or "personal injury and advertising injury".
 - (2) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
 - (3) To any lessor of equipment:
 - (a) After the equipment lease expires; or
 - (b) If the "bodily injury", "property damage", "personal and advertising injury" arises out of sole negligence of the lessor
 - (4) To any:
 - (a) Owners or other interests from whom land has been leased which takes place after the lease for the land expires; or
 - (b) Managers or lessors of premises if:
 - (i) The occurrence takes place after you cease to be a tenant in that premises; or
 - (ii) The "bodily injury", "property damage", "personal injury" or "advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.
 - (5) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services.
- This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and

advertising injury" involved the rendering of or failure to render any professional services by or for you.

- d. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III – LIMITS OF INSURANCE**:

The most we will pay on behalf of the additional insured for a covered claim is the lesser of the amount of insurance:

- 1. Required by the contract, agreement or permit described in Paragraph a.; or
- 2. Available under the applicable Limits of Insurance shown in the Declarations.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

2. Additional Insured – Primary and Non-Contributory

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. **Other insurance**:

Additional Insured – Primary and Non-Contributory

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an Additional Insured under **SECTION II – WHO IS AN INSURED**, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the Additional Insured for a loss covered under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary to other insurance that is available to the Additional Insured which covers the

Additional Insured as a Named Insured. We will not seek contribution from any other insurance available to the Additional Insured except:

- (1) For the sole negligence of the Additional Insured;
- (2) When the Additional Insured is an Additional Insured under another primary liability policy; or
- (3) when b. below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (b) That is Fire insurance for premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner;
- (c) That is insurance purchased by the Additional Insured to cover the Additional Insured's liability as a tenant for "property damage" to premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner; or
- (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**.

(2) When this insurance is excess, we will have no duty under Coverages A or B 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.

(3) When this insurance is excess over other Insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (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.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each

insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers

3. Blanket Waiver of Subrogation

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us:**

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damage under this coverage form. The damage must arise out of your activities under a written contract with that person or organization. This waiver applies only to the extent that subrogation is waived under a written contract executed prior to the "occurrence" or offense giving rise to such payments.

4. Bodily Injury Redefined

SECTION V – DEFINITIONS, Definition 3. "bodily injury" is replaced by the following:

- 3. "Bodily injury" means bodily injury, 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".

5. Broad Form Property Damage – Borrowed Equipment, Customers Goods, Use of Elevators

a. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions** subparagraph j. is amended as follows:

Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraphs (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor do they apply to the use of elevators at premises you own, rent, lease or occupy.

b. The following is added to **SECTION V – DEFINITIONS:**

24. "Customers goods" means property of your customer on your premises for the purpose of being:

- a. worked on; or
- b. used in your manufacturing process.
- c. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent

6. Knowledge of Occurrence

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

- e. Notice of an "occurrence", offense, claim or "suit" will be considered knowledge of the insured if reported to an individual named insured, partner, executive officer or an "employee" designated by you to give us such a notice.

7. Liberalization Clause

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

Liberalization Clause

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

8. Medical Payments

- a. **SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS**, Paragraph 1. **Insuring Agreement**, subparagraph a.(3)(b) is replaced by the following:
 - (b) The expenses are incurred and reported to us within three years of the date of the accident; and
- b. This coverage does not apply if **COVERAGE C – MEDICAL PAYMENTS** is excluded either by the provisions of the Coverage Part or by endorsement.

9. Newly Acquired Or Formed Organizations

SECTION II – WHO IS AN INSURED, Paragraph 3.a. is replaced by the following:

- a. Coverage under this provision is afforded until the end of the policy period.

10. Non-Owned Watercraft

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. **Exclusions**, subparagraph g.(2) is replaced by the following:

g. Aircraft, Auto Or Watercraft

(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;

This provision applies to any person who, with your consent, either uses or is responsible for the use of a watercraft.

11. Supplementary Payments Increased Limits

SECTION I – SUPPLEMENTARY PAYMENTS COVERAGES A AND B, Paragraphs 1.b. and 1.d. are replaced by the following:

1.b. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

1.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 \$1000 a day because of time off from work.

12. Unintentional Failure to Disclose Hazards

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 6. **Representations:**

We will not disclaim coverage under this Coverage Part if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

13. Unintentional Failure to Notify

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

Your rights afforded under this policy shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this policy.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL GENERAL LIABILITY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SUMMARY OF COVERAGES

1.	Additional Insured – Broad Form Vendors	Included
2.	Aggregate Limit per Location	Included
3.	Alienated Premises	Included
4.	Broad Form Named Insured	Included
5.	Extended Property Damage	Included
6.	Incidental Malpractice (Employed nurses, EMT's & paramedics)	Included
7.	Mobile Equipment Redefined	Included
8.	Personal Injury – Broad Form	Included
9.	Product Recall Expense	
	- Product Recall Expense Each Occurrence Limit	\$25,000
	- Product Recall Expense Aggregate Limit	\$50,000
	- Product Recall Deductible	\$500
10.	Property Damage Legal Liability – Broad Form - Fire, Lightning, Explosion, Smoke and Leakage from Fire Protective Systems Damage Limit	\$1,000,000

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

1. Additional Insured – Broad Form Vendors

The following is added to **SECTION II – WHO IS AN INSURED**:

Additional Insured – Broad Form Vendors

- a. Any person or organization that is a vendor with whom you agreed in a written contract or written agreement to include as an additional insured under this Coverage Part is an insured, but only with respect to liability for “bodily injury” or “property damage” arising out of “your products” which are distributed or sold in the regular course of the vendor's business.
- b. The insurance afforded to such vendor described above:
 - (1) Only applies to the extent permitted by law;
 - (2) Will not be broader than the insurance which you are required by the contract or agreement to provide for such vendor;
 - (3) Will not be broader than coverage provided to any other insured; and

- (4) Does not apply if the “bodily injury”, “property damage” or “personal and advertising injury” is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto

- c. With respect to insurance afforded to such vendors, the following additional exclusions apply:

The insurance afforded to the vendor does not apply to:

- (1) “Bodily injury” or “property damage” for which the vendor is obligated to pay damages by reasons of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (2) Any express warranty unauthorized by you;
- (3) Any physical or chemical change in the product made intentionally by the vendor;
- (4) Repackaging, unless unpacked solely for the purpose of inspection, demonstration,

testing, or the substitution of parts under instruction from the manufacturer, and then repackaged in the original container;

- (5) Any failure to make such inspection, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product;
 - (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
 - (8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (a) The exceptions contained within the exclusion in subparagraphs (4) or (6) above; or
 - (b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
 - (9) "Bodily injury" or "property damage" arising out of an "occurrence" that took place before you have signed the contract or agreement with the vendor.
 - (10) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
 - (11) Any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- d. With respect to the insurance afforded to these vendors, the following is added to **SECTION III – LIMITS OF INSURANCE:**
- The most we will pay on behalf of the vendor for a covered claim is the lesser of the amount of insurance:
1. Required by the contract or agreement described in Paragraph a.; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

2. Aggregate Limit Per Location

- a. **SECTION III – LIMITS OF INSURANCE**, the General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.
- b. For purpose of this coverage only, the following is added to **SECTION V – DEFINITIONS:**

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

3. Alienated Premises

SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. **Exclusions**, subparagraph j.(2) is replaced by the following:

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises and occurred from hazards that were known by you, or should have reasonably been known by you, at the time the property was transferred or abandoned.

4. Broad Form Named Insured

If you are designated in the Declarations as anything other than an individual, then any organization:

- a. Over which you maintained a combined ownership interest of more than 50% on the effective date of this policy;
- b. That is not a partnership, joint venture or limited liability company; and
- c. That is not excluded by any endorsement to this policy, will qualify as a Named Insured if there is no other similar insurance available to that organization, or that would be available but for exhaustion of its limits.

Any such organization will cease to qualify as a Named Insured as of the date during the policy period when the combined ownership interest of the Named Insureds in the organization equals or falls below 50%.

5. Extended Property Damage

SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. **Exclusions**, subparagraph a. is replaced by 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" or "property damage" resulting from the use of reasonable force to protect persons or property.

6. Incidental Malpractice – Employed Nurses, EMT's and Paramedics

SECTION II – WHO IS AN INSURED, paragraph 2.a.(1)(d) does not apply to a nurse, emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

7. Mobile Equipment Redefined

SECTION V – DEFINITIONS, Definition 12. "Mobile Equipment", paragraph f.(1) does not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight.

8. Personal Injury – Broad Form

a. SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2. **Exclusions**, subparagraph e. is deleted.

b. SECTION V – DEFINITIONS, Definition 14, "Personal and advertising injury" subparagraph b. is replaced by the following:

b. Malicious prosecution or abuse of process.

c. The following is added to **SECTION V – DEFINITIONS**, Definition 14. "Personal and advertising injury":

"Discrimination" (unless insurance thereof is prohibited by law) that results in injury to the feelings or reputation of a natural person, but only if such "discrimination" is:

(1) Not done intentionally by or at the direction of:

(a) The insured;

(b) Any officer of the corporation, director, stockholder, partner or member of the insured; and

(2) Not directly or indirectly related to an "employee", not to the employment, prospective employment or termination of any person or persons by an insured.

d. The following is added to **SECTION V – DEFINITIONS**:

"Discrimination" means the unlawful treatment of individuals based upon race, color, ethnic origin, gender, religion, age, or sexual preference. "Discrimination" does not

include the unlawful treatment of individuals based upon developmental, physical, cognitive, mental, sensory or emotional impairment or any combination of these.

e. This coverage does not apply if **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** is excluded either by the provisions of the Coverage Form or by endorsement.

9. Product Recall Expense

a. SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. **Exclusions**, subparagraph n. is replaced by the following:

n. Recall of Products, Work or Impaired Property

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

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall expenses" that you incur for the "covered recall" of "your product".

However, this exception to the exclusion does not apply to "product recall expenses" resulting solely from:

(4) Failure of any products to accomplish their intended purpose;

(5) Breach of warranties of fitness, quality, durability or performance;

(6) Loss of customer approval, or any cost incurred to regain customer approval;

(7) Redistribution or replacement of "your product" which has been recalled by like products or substitutes;

(8) Caprice or whim of the insured;

(9) A condition likely to cause loss of which any insured knew or had reason to know at the inception of this insurance;

(10) Asbestos, including loss, damage or clean up resulting from asbestos or asbestos containing materials;

(11) Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.

- b. The following is added to **SECTION II – WHO IS AN INSURED**, Paragraph 3.

COVERAGE A does not apply to "product recall expense" arising out of any withdrawal or recall that occurred before you acquired or formed the organization.

- c. For the purposes of this endorsement only, the following is added to **SECTION III – LIMITS OF INSURANCE**:

Product Recall Expense Limits of Insurance

1. The Limits of Insurance shown in the SUMMARY OF COVERAGES of this endorsement and rules stated below fix the most we will pay under this Product Recall Expense Coverage regardless of the number of:
 - a. Insureds:
 - b. "Covered Recalls" initiated: or
 - c. Number of "your products" withdrawn.
2. The Product Recall Expense Aggregate Limit is the most we will reimburse you for the sum of all "product recall expenses" incurred for all "covered recalls" initiated during the policy period.
3. The Product Recall Expense Each Occurrence Limit is the most we will pay in connection with any one defect or deficiency.
4. All "product recall expenses" in connection with substantially the same general harmful condition will be deemed to arise out of the same defect or deficiency and considered one "occurrence".
5. Any amount reimbursed for "product recall expenses" in connection with any one "occurrence" will reduce the amount of the Product Recall Expense Aggregate Limit available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.
6. If the Product Recall Expense Aggregate Limit has been reduced by reimbursement of "product recall

expenses" to an amount that is less than the Product Recall Expense Each Occurrence Limit, the remaining Product Recall Expense Aggregate Limit is the most that will be available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

7. Product Recall Deductible

We will only pay for the amount of "product recall expenses" which are in excess of the \$500 Product Recall Deductible. The Product Recall Deductible applies separately to each "covered recall". The limits of insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable. Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

The Product Recall Expense Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period 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 the purposes of determining the Limits of Insurance.

- d. The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

You must take the following actions in the event of an actual or anticipated "covered recall" that may result in "product recall expense":

- (1) Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled, including a description of "your product" and the reason for the withdrawal or recall; and
- (2) Cease any further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance.

- e. The following definitions are added to **SECTION V – DEFINITIONS**:

"Covered recall," means a recall made necessary because you or a government body has determined that a known or suspected defect, deficiency, inadequacy, or dangerous condition in "your product" has resulted or will result in "bodily injury" or "property damage".

"Product recall expense" means:

- a. Necessary and reasonable expenses for:

- (1) Communications, including radio or television announcements or printed advertisements including stationery, envelopes and postage;
- (2) Shipping the recalled products from any purchaser, distributor or user to the place or places designated by you;
- (3) Remuneration paid to your regular "employees" for necessary overtime;
- (4) Hiring additional persons, other than your regular "employees";
- (5) Expenses incurred by "employees" including transportation and accommodations;
- (6) Expenses to rent additional warehouse or storage space;
- (7) Disposal of "your product", but only to the extent that specific methods of destruction other than those employed for trash discarding or disposal are required to avoid "bodily injury" or "property damage" as a result of such disposal;

You incur exclusively for the purpose of recalling "your product"; and

- b. Your lost profit resulting from such "covered recall".

10. Property Damage Legal Liability – Broad Form

- a. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, the last paragraph (after the exclusions) is replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke or leakage from fire protective systems to premises while rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies

to this coverage as described in **SECTION III – LIMITS OF INSURANCE**.

- b. **SECTION III – LIMITS OF INSURANCE**, Paragraph **6.** is replaced by the following:

6. Subject to Paragraph **5.** above, The Damage to Premises Rented to You Limit is the most we will pay under **COVERAGE A** for damages because of "property damage" to any one premises from fire, lightning, explosion, smoke and leakage from fire protective systems to premises, while rented to you or temporarily occupied by you with permission of the owner.

The Damage to Premises Rented to You Limit is the higher of:

- a. \$1,000,000; or
- b. The Damage to Premises Rented to You Limit shown in the Declarations.

This limit will apply to all damage caused by the same event, whether such damage results from fire, lightning, explosion, smoke, leakage from fire protective systems or any combination of any of these.

- c. **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph **4. Other Insurance**, subparagraph **b. Excess Insurance**, item **(a)(ii)** is replaced by the following:

- (ii) That is fire, lightning, explosion, smoke or leakage from fire protective systems insurance for premises rented to you or temporarily occupied by you with permission of the owner; or

- d. **SECTION V – DEFINITIONS**, Definition **9. "Insured contract"**, Paragraph **a.** is replaced by the following:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke or leakage from fire protective systems to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

- e. This coverage does not apply if Damage to Premises Rented to You is excluded either by the provisions of the Coverage Part or by endorsement.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

COMMERCIAL GENERAL LIABILITY
CG 00 01 04 13

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, 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 A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

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

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

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

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

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

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

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

c. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

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

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

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

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

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

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

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

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

g. Aircraft, Auto Or Watercraft

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

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

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

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

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

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

j. Damage To Property

"Property damage" to:

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

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

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

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

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

k. Damage To Your Product

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

l. Damage To Your Work

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

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

m. Damage To Impaired Property Or Property Not Physically Injured

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

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

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

n. Recall Of Products, Work Or Impaired Property

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

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

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

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

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

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or 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.

q. 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;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section **III** – Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b.** This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

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, in any manner, 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, in any manner, of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured 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 an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, 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. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

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

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. 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.

n. 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".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

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

p. 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;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

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

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

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. 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 \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the 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.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

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

2. Each of the following is also an insured:

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

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

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(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 limited liability company).
- b.** Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c.** Any person or organization having proper temporary custody of your property if you die, but only:

- (1)** With respect to liability arising out of the maintenance or use of that property; and
- (2)** Until your legal representative has been appointed.

- d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a.** 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;
- b.** Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c.** Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a.** Insureds;
- b.** Claims made or "suits" brought; or
- c.** Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

- a.** Medical expenses under Coverage **C**;
- b.** Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c.** Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage **A**; and
 - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

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

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

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

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

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

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

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

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

- c. You and any other involved insured must:

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

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

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** 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.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (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.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If 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.

6. 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.

7. Separation Of Insureds

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

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

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

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

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;
 - (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication; provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph **a.** above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

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

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

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

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

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

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

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

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

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

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a.** False arrest, detention or imprisonment;
- b.** Malicious prosecution;
- c.** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d.** Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f.** The use of another's advertising idea in your "advertisement"; or
- g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

16. "Products-completed operations hazard":

- a.** Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

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

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

- b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

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

As used in this definition, electronic data means information, facts or programs stored as 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.

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

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2)** The providing of or failure to provide warnings or instructions.
- c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

**COMMERCIAL GENERAL LIABILITY
CG 21 06 05 14**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY – WITH
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

Damages arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

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

B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

**COMMERCIAL GENERAL LIABILITY
CG 21 70 01 15**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

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.** If aggregate insured losses attributable to terrorist acts certified under the federal 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.
- "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 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.

**COMMERCIAL GENERAL LIABILITY
CG 22 91 04 13**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – TELECOMMUNICATION EQUIPMENT OR SERVICE PROVIDERS ERRORS AND OMISSIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

- a.** An error, omission, defect or deficiency in any evaluation, consultation or advice given by or on behalf of any insured concerning telecommunication equipment or services;

- b.** Any advice, consultation, evaluation, inspection, supervision, quality control or phone network set-up, including central office cabling, done by you or for you on a project on which you serve as a telecommunication equipment or service provider; or

- c.** The failure of any insured to adequately provide telecommunication services.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph **a.**, **b.** or **c.**

**COMMERCIAL GENERAL LIABILITY
CG 33 53 05 14**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY – WITH
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Exclusion 2.I. of **Section I – Coverages – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

I. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

Damages arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or 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.



Customer Notice of Privacy Policy and Producer Compensation Practices Disclosures

Privacy Policy Disclosure

Collection of Information

We collect personal information so that we may offer quality products and services. This information may include, but is not limited to, name, address, Social Security number, and consumer reports from consumer reporting agencies in connection with your application for insurance or any renewal of insurance. For example, we may access driving records, insurance scores or health information. Our information sources will differ depending on your state and/or the product or service we are providing to you. This information may be collected directly from you and/or from affiliated companies, non-affiliated third parties, consumer reporting agencies, medical providers and third parties such as the Medical Information Bureau.

We, and the third parties we partner with, may track some of the web pages you visit through cookies, pixel tagging or other technologies. We currently do not process or comply with any web browser's "do not track" signals or similar mechanisms that request us to take steps to disable online tracking. For additional information regarding online privacy, please see our online privacy statement, located at www.hanover.com.

Disclosure of Information

We may disclose non-public, personal information you provide, as required to conduct our business and as permitted or required by law. We may share information with our insurance company affiliates or with third parties that assist us in processing and servicing your account. We also may share your information with regulatory or law enforcement agencies, reinsurers and others, as permitted or required by law.

Our insurance companies may share information with their affiliates, but will not share information with non-affiliated third parties who would use the information to market products or services to you.

Our standards for disclosure apply to all of our current and former customers.

Safeguards to Protect Your Personal Information

We recognize the need to prevent unauthorized access to the information we collect, including information held in an electronic format on our computer systems. We maintain physical, electronic and procedural safeguards intended to protect the confidentiality and integrity of all non-public, personal information, including but not limited to social security numbers, driver's license numbers and other personally identifiable information.

Internal Access to Information

Access to personal, non-public information is limited to those people who need the information to provide our customers with products or services. These people are expected to protect this information from inappropriate access, disclosure and modification.

Consumer Reports

In some cases, we may obtain a consumer report in connection with an application for insurance. Depending on the type of policy, a consumer report may include information about you or your business, such as:

- character, general reputation, personal characteristics, mode of living;
- credit history, driving record (including records of any operators who will be insured under the policy); and/or
- an appraisal of your dwelling or place of business that may include photos and comments on its general condition.

Access to Information

Upon written request, we will inform you if we have ordered an investigative consumer report. You have the right to make a written request within a reasonable period for information concerning the nature and scope of the report and to be interviewed as part of its preparation. You may obtain a copy of the report from the reporting agency and, under certain circumstances, you may be entitled to a copy at no cost.

You also may review certain information we have about you or your business in our files. To review information we maintain in our files about you or your business, please write to us, providing your complete name, address and policy number(s), and indicating specifically what you would like to see. If you request actual copies of your file, there may be a nominal charge.

We will tell you to whom we have disclosed the information within the two years prior to your request. If there is not a record indicating that the information was provided to another party, we will tell you to whom such information is normally disclosed.



There is information that we cannot share with you. This may include information collected in order to evaluate a claim under an insurance policy, when the possibility of a lawsuit exists. It may also include medical information that we would have to forward to a licensed medical doctor of your choosing so that it may be properly explained.

Correction of Information

If after reviewing your file you believe information is incorrect, please write to the consumer reporting agency or to us, whichever is applicable, explaining your position. The information in question will be investigated. If appropriate, corrections will be made to your file and the parties to whom the incorrect information was disclosed, if any, will be notified. However, if the investigation substantiates the information in the file, you will be notified of the reasons why the file will not be changed. If you are not satisfied with the evaluation, you have the right to place a statement in the file explaining why you believe the information is incorrect. We also will send a copy of your statement to the parties, if any, to whom we previously disclosed the information and include it in any future disclosures.

Our Commitment to Privacy

In the insurance and financial services business, lasting relationships are built upon mutual respect and trust. With that in mind, we will periodically review and revise our privacy policy and procedures to ensure that we remain compliant with all state and federal requirements. If any provision of our privacy policy is found to be non-compliant, then that provision will be modified to reflect the appropriate state or federal requirement. If any modifications are made, all remaining provisions of this privacy policy will remain in effect. For more detailed information about our customer privacy policy (including any applicable state-specific policies) and our online privacy statement, visit our Web site, located at www.hanover.com.

Further Information

If you have questions about our customer privacy policy (including any applicable state-specific policies) or our online privacy statement, or if you would like to request information we have on file, please write to us at our Privacy Office, N435, The Hanover Insurance Group, Inc., 440 Lincoln Street, Worcester, MA 01653. Please provide your complete name, address and policy number(s). A copy of our Producer Compensation Disclosure is also available upon written request addressed to the attention of the Corporate Secretary, N435, The Hanover Insurance Group, 440 Lincoln Street, Worcester, MA 01653.

Producer Compensation Disclosure

Our products are sold through independent agents and brokers, often referred to as "Producers." We may pay Producers a fixed commission for placing and renewing business with our company. We may also pay additional commission and other forms of compensation and incentives to Producers who place and maintain their business with us. Details of our Producer compensation practices may be found at www.hanover.com.

This notice is being provided on behalf of the following Hanover Companies: The Hanover Insurance Group, Inc. - Allmerica Financial Alliance Insurance Company - Allmerica Financial Benefit Insurance Company - Allmerica Plus Insurance Agency, Inc. - Citizens Insurance Company of America - Citizens Insurance Company of Illinois - Citizens Insurance Company of the Midwest - Citizens Insurance Company of Ohio - Citizens Management, Inc. - AIX Ins. Services of California, Inc.- Campania Insurance Agency Co. Inc.- Campmed Casualty & Indemnity Co. Inc. - Chaucer Syndicates Limited- Educators Insurance Agency, Inc.- Hanover Specialty Insurance Brokers, Inc. - The Hanover American Insurance Company - The Hanover Insurance Company - The Hanover New Jersey Insurance Company - The Hanover National Insurance Company - Hanover Lloyd's Insurance Company - Massachusetts Bay Insurance Company - Opus Investment Management, Inc. - Professionals Direct Insurance Services, Inc. -Professional Underwriters Agency, Inc.- Verlan Fire Insurance Company - Nova Casualty Company - AIX Specialty Insurance Company.

NOTICE TO POLICYHOLDERS

BREAKDOWN OF FLORIDA TAXES, SURCHARGES AND ASSESSMENTS

A portion of the premium due on this policy is due to various surcharges authorized by the state of Florida. The surcharges are not directly related to your policy, your risk characteristics, or to the Hanover Insurance Companies.

All voluntary insurers in the state of Florida are subject to multiple assessments and surcharges. Florida regulation allows companies to assess their policyholders to recoup these charges.

The Declaration page reflects the total premium including taxes and surcharges. A breakdown of the individual assessments is listed below:

You have been billed for these assessments in accordance with the requirements of the state of Florida.

If you have any questions on this issue, please contact your agent for clarification.

THIS NOTICE IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT, AS AMENDED. THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

NOTICE – ACCEPTANCE OF TERRORISM COVERAGE AND DISCLOSURE OF PREMIUM

Schedule

Disclosure of Premium:	
Total Terrorism Premium	\$ 0
Fire Following Premium	\$ 0
Other than Fire Following Premium	\$ 0

Coverage for “acts of terrorism,” as defined in Section 102(1) of the Terrorism Risk Insurance Act (“Act”) is included in your policy. You are hereby notified that under the Act, as amended in 2015, the definition of “act of terrorism” is:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States’ government by coercion.

Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers’ liability for losses resulting from certified acts of terrorism. If the aggregate of 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 Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. 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.

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Schedule

Disclosure of Premium:	
Total Terrorism Premium	\$ 0
Fire Following Premium	\$ 0
Other than Fire Following Premium	\$ 0

Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of 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 Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. 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.

Rejection of Terrorism Insurance Coverage

- ☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Applicant/Policyholder Signature

Print Name

Date

Hanover Insurance Company

Insurance Company

LHQ A522711 01

Quote or Policy Number

IMPORTANT NOTICE TO POLICYHOLDERS

THIS DISCLOSURE DOES NOT PROVIDE COVERAGE NOR DOES THIS NOTICE REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT A CHANGE IN COVERAGE. PLEASE READ THE ENTIRE NOTICE.

Your policy may have previously contained one of the coverage forms specified below, which are no longer offered in Hanover's suite of products. These coverage forms are being replaced with the corresponding coverage form in the adjacent column.

The material is organized by coverage form and endorsements; however, not all coverages, coverage forms or endorsements are included on a particular policy. Please read your policy language carefully.

Expiring & Replacement Forms List:

Current Form Title	Current Form Number	Current Edition Date	New Form	New Form Number	New Edition Date
Commercial General Liability Special Broadening Endorsement	421-0080	01 03	Commercial General Liability Broadening Endorsement	421-2915	12 14
			Commercial General Liability Enhancement Endorsement	421-2916	12 14
Commercial General Liability Special Broadening Endorsement (New York)	421-0146	09 03	Commercial General Liability Broadening Endorsement	421-2915	12 14
			Commercial General Liability Enhancement Endorsement	421-2916	12 14
			New York Amendatory Endorsement	421-2929	12 14
Commercial General Liability Special Broadening Endorsement (Virginia)	421-0149	09 03	Commercial General Liability Broadening Endorsement	421-2915	12 14
			Commercial General Liability Enhancement Endorsement	421-2916	12 14
			Virginia Amendatory Endorsement	421-2927	12 14
Commercial General Liability Special Broadening Endorsement (Texas)	421-0150	09 03	Commercial General Liability Broadening Endorsement	421-2915	12 14
			Commercial General Liability Enhancement Endorsement	421-2916	12 14
			Texas Amendatory Endorsement	421-2931	12 14
California Commercial General Liability Special Broadening Endorsement	421-0778	09 09	Commercial General Liability Broadening Endorsement	421-2915	12 14
			Commercial General Liability Enhancement Endorsement	421-2916	12 14

Washington Commercial General Liability Special Broadening Endorsement	421-2405	06 12	Commercial General Liability Broadening Endorsement	421-2915	12 14
			Commercial General Liability Enhancement Endorsement	421-2916	12 14

The significant changes that broaden, reduce or clarify coverage are outlined below. Please review the changes carefully.

A. Changes Which Broaden Coverage

- **Additional Coverages**

- Additional Insured – Primary and Non-Contributory
- Blanket Waiver of Subrogation
- Broad Form Named Insured

- **Additional Insured by Contract Agreement or Permit** now applies with respect to the named insured's maintenance, operation or use of equipment leased by the named insured.

- **Increased Limits of Insurance:**

- **Supplementary Payments – Loss of Earnings Limit** increased from \$300 per day to \$1000 per day.
- **Property Damage Legal Liability – Broad Form Limit** increased from \$500,000 to \$1,000,000.

B. Changes Which Potentially Reduce Coverage

- **Additional Insured by Contract, Agreement or Permit**

- Does not apply to sole negligence of the additional insured.
- Will not be broader than the insurance or limits required by the contract, agreement or permit.
- Professional services excluded

- **Additional Insured - Broad Form Vendors**

- Does not apply to sole negligence of the additional insured.
- Will not be broader than the insurance or limits required by the contract, agreement or permit.

- **Medical Payments Limit** no longer automatically increased to \$10,000. The medical payments limit is listed in the Declarations. The default limits is \$5000. Limits may be selected in a range from \$0 (coverage excluded) to as high as \$25,000.

- **Personal Injury - Broad Form** does not include the unlawful treatment of individuals based upon developmental, physical, cognitive, mental, sensory or emotional impairment or any combination of these.

C. Changes Which Clarify Coverage

- **Additional Insured By Contract Agreement or Permit**

- Only applies to the extent permitted by law.
- Will not be broader that coverage provided for any other insured
- Does not apply to damages otherwise excluded
- Does not increase the applicable Limits of Insurance

- **Additional Insured - Broad Form Vendors**

- Only applies to the extent permitted by law.
- Will not be broader that coverage provided for any other insured
- Does not apply to damages otherwise excluded
- Does not increase the applicable Limits of Insurance
- Occurrence must take place after contract or agreement is executed.
- Does not apply to person or organization included as an insured by another endorsement.

Expiring & Replacement Forms List:

Current Form Title	Current Form Number	Current Edition Date	New Form	New Form Number	New Edition Date
Commercial General Liability Special Broadening Endorsement - Contractors	421-0288	01 03	Commercial General Liability Broadening Endorsement	421-2915	12 14
			Commercial General Liability Enhancement Endorsement	421-2916	12 14
Commercial General Liability Special Broadening Endorsement (New York) – Contractors	421-0290	04 02	Commercial General Liability Broadening Endorsement	421-2915	12 14
			Commercial General Liability Enhancement Endorsement	421-2916	12 14
			New York Amendatory Endorsement	421-2929	12 14
Commercial General Liability Special Broadening Endorsement (Virginia) - Contractors	421-0289	04 02	Commercial General Liability Broadening Endorsement	421-2915	12 14
			Commercial General Liability Enhancement Endorsement	421-2916	12 14
			Virginia Amendatory Endorsement	421-2927	12 14
Commercial General Liability Special Broadening Endorsement (Texas) - Contractors	421-0291	04 02	Commercial General Liability Broadening Endorsement	421-2915	12 14
			Commercial General Liability Enhancement Endorsement	421-2916	12 14
			Texas Amendatory Endorsement	421-2931	12 14

The significant changes that broaden, reduce or clarify coverage are outlined below. Please review the changes carefully.

A. Changes Which Broaden Coverage

- ***Additional Coverages***

- Additional Insured – Primary and Non-Contributory
- Additional Insured – Broad Form Vendors
- Blanket Waiver of Subrogation
- Broad Form Named Insured
- Product Recall Expense

- ***Additional Insured by Contract Agreement or Permit*** now applies with respect to the named insured's maintenance, operation or use of equipment leased by the named insured.

- ***Increased Limits of Insurance:***

- **Supplementary Payments – Loss of Earnings Limit** increased from \$300 per day to \$1000 per day.
- **Property Damage Legal Liability – Broad Form Limit** increased from \$500,000 to \$1,000,000

B. Changes Which Potentially Reduce Coverage

- ***Additional Insured by Contract, Agreement or Permit***
 - Does not apply to sole negligence of the additional insured.
 - Will not be broader than the insurance or limits required by the contract, agreement or permit.
 - Professional services excluded
- ***Medical Payments Limit*** no longer automatically increased to \$10,000. The medical payments limit is listed in the Declarations. The default limits is \$5000. Limits may be selected in a range from \$0 (coverage excluded) to as high as \$25,000.
- ***Personal Injury – Broad Form*** does not include the unlawful treatment of individuals based upon developmental, physical, cognitive, mental, sensory or emotional impairment or any combination of these.

C. Changes Which Clarify Coverage

- ***Additional Insured By Contract Agreement or Permit***
 - Only applies to the extent permitted by law.
 - Will not be broader that coverage provided for any other insured
 - Does not apply to damages otherwise excluded
 - Does not increase the applicable Limits of Insurance

IMPORTANT NOTICE TO POLICYHOLDERS

THIS DISCLOSURE DOES NOT PROVIDE COVERAGE NOR DOES THIS NOTICE REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT A CHANGE IN COVERAGE. PLEASE READ THE ENTIRE NOTICE.

This is a summary of possible major changes to your policy at renewal. This notice does not reference every editorial change made in your policy.

Your renewal policy may have one or more of the following forms attached. In some instances, your expiring policy may have already included the forms.

The material is organized by coverage form and endorsements; however, not all coverages, coverage forms or endorsements are included on a particular policy. Please read your policy language carefully.

Commercial General Liability Forms

421-0340 12 14 ~ Commercial General Liability Coverage Part Declaration

This Declaration is used with the Commercial General Liability Coverage Part. The previous edition of this form has been updated to be compatible with current policy forms. The title Fire Damage Limit has been changed to Damage to Premises Rented to You Limit.

421-0452 12 14 ~ Additional Insured - Primary And Non-Contributory

This endorsement provides additional insured coverage on a primary and non-contributory basis if the named insured is obligated to do so under the terms of a contract, agreement or permit. Editorial changes have been made to revise the previous edition of this endorsement. The new edition maps to ISO form **CG 00 01 04 13 COMMERCIAL GENERAL LIABILITY COVERAGE FORM**. The title was changed from Other Insurance – Primary and Non-Contributory (Additional Insured).

421-0535 ~ Florida Other Insurance – Primary and Non-Contributory (Additional Insured) has been withdrawn and replaced by **421-0452**.

421-0832 12 14 ~ Broadened Property Damage – Rented Premises

This endorsement has been revised to map to **CG 00 01 COMMERCIAL GENERAL LIABILITY COVERAGE FORM**. Editorial revision has been made to the previous edition.

421-1091 12 14 ~ Additional Insured – Designated Entities By Contract

This endorsement includes the person or organization shown in the schedule as an additional insured. The previous edition of this endorsement has been revised to incorporate changes introduced by the ISO 2012 CL Multistate Forms Revisions. The designated entities are not additional insureds for their sole negligence. The insurance afforded to the additional insured will not be broader than required by the contract, permit or agreement and will only apply to the extent permitted by law.

421-2002 12 14 ~ Blanket Additional Insured (Contractors) Endorsement

This endorsement grants automatic additional insured status to any person or organization who the named insured has agreed to add as an additional insured under the terms of a contract, agreement or permit. This is a new edition to update the previous edition. The revision of this endorsement incorporates changes introduced by the ISO 2012 GL Multistate Forms Revisions. The insurance afforded to the additional insured will not be broader than required by the contract, permit or agreement and will only apply to the extent permitted by law.

421-2245 ~ Alaska Blanket Additional Insured (Contractors) Endorsement is being withdrawn and replaced by **421-2002**.

IMPORTANT NOTICE TO POLICYHOLDERS

2012 GENERAL LIABILITY MULTISTATE FORMS REVISION

This is a summary of the major changes in your policy. No coverage is provided by this summary nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

The major areas within the policy that broaden or reduce coverage, and other changes, are highlighted below. This notice does not reference every editorial change made in your policy. We have followed the policy sequence of provisions in setting out this material.

COMMERCIAL GENERAL LIABILITY COVERAGE FORMS

CG 00 01 04 13 AND CG 00 02 04 13

I. EXCLUSIONS

A. Broadening of Coverage

1. Coverage **A** – Exclusion **2.c.** (Liquor Liability) is revised to provide an exception with respect to allowing a person to bring alcoholic beverages onto the named insured's premises for consumption on the named insured's premises.
2. Coverage **A** – Exclusion **2.p.** (Electronic Data) is revised to introduce an exception for liability for damages because of bodily injury.

B. Other Changes

1. Coverage **A** – Exclusion **2.c.** (Liquor Liability) is revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol.
2. Coverage **A** – Exclusion **2.g.** (Aircraft, Auto Or Watercraft) is revised to delete reference to "in the state".
3. Coverage **A** – Exclusion **2.q.** and Coverage **B** – Exclusion **2.p.** (Recording And Distribution Of Material Or Information In Violation Of Law) were previously added to your policy via mandatory endorsement. The endorsement contained an exclusion addressing injury or damage arising out of any action or omission that violates or is alleged to violate certain statutes, ordinances and regulations. This exclusion has been incorporated directly into your policy.
4. Coverage **B** – Exclusions **2.b.** and **2.c.** (Material Published With Knowledge Of Falsity and Material Published Prior To Policy Period) are revised to reference "in any manner", with respect to oral or written publication, for consistency with the definition of personal and advertising injury.

II. CONDITIONS

Other Changes

Condition **4.** (Other Insurance) is generally revised so that the insurance provided is excess over any for which the named insured has been added as an additional insured, whether by endorsement or any other means.

III. DEFINITIONS

Other Changes

1. Definition **2.** (Auto) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.
2. Definition **12.** (Mobile Equipment) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.

**OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM – COVERAGE FOR
OPERATIONS OF DESIGNATED CONTRACTOR
CG 00 09 04 13**

I. EXCLUSIONS**Broadening of Coverage**

Exclusion 2.I. (Electronic Data) is revised to introduce an exception for liability for damages because of bodily injury.

II. DEFINITIONS**Other Changes**

1. Definition 1. (Auto) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.
2. Definition 10. (Mobile Equipment) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.

**LIQUOR LIABILITY COVERAGE FORMS
CG 00 33 04 13 AND CG 00 33 04 13**

I. WHO IS AN INSURED**Broadening of Coverage**

We have included trusts as Named Insureds. In addition, trustees have been included as insureds but only with respect to their duties as trustees.

**RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
CG 00 35 04 13**

I. EXCLUSIONS**Broadening of Coverage**

Exclusion 2.f.(3)(a) (Pollution) is amended to expand the exception to the exclusion with respect to bodily injury or property damage arising out of fuel or lubricants for equipment used at the job location not just when they escape from such equipment.

**PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORMS
CG 00 37 04 13 AND CG 00 38 04 13**

I. EXCLUSIONS**Broadening of Coverage**

1. Exclusion 2.c. (Liquor Liability) is revised to provide an exception with respect to allowing a person to bring alcoholic beverages onto the named insured's premises for consumption on the named insured's premises.
2. Exclusion 2.I. (Electronic Data) is revised to introduce an exception for liability for damages because of bodily injury.

II. DEFINITIONS**Other Changes**

1. Exclusion 2.c. (Liquor Liability) is revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol.
2. Definition 1. (Auto) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.
3. Definition 10. (Mobile Equipment) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.

POLLUTION LIABILITY COVERAGE FORM DESIGNATED SITES
POLLUTION LIABILITY LIMITED COVERAGE FORM DESIGNATED SITES
CG 00 39 04 13 AND CG 00 40 04 13

I. EXCLUSIONS**A. Broadening of Coverage**

Exclusion **2.p.** (Electronic Data) is revised to introduce an exception for liability for damages because of bodily injury.

B. Other Changes

Exclusion (Aircraft, Auto, Rolling Stock Or Watercraft) is generally revised to reinforce that the 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.

The exclusion is also revised to express that a land motor vehicle subject to compulsory or financial responsibility laws or other motor vehicle insurance laws will not be covered with respect to its over-the-road exposures.

II. DEFINITIONS**Other Changes**

1. Exclusion **2.j.** (Aircraft, Auto, Rolling Stock Or Watercraft) is revised to delete reference to "in the state". (**CG 00 40** only)
2. Definition **1.** (Auto) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.
3. Definition (Mobile Equipment) is revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.

UNDERGROUND STORAGE TANK POLICY DESIGNATED TANKS
CG 00 42 04 13

I. EXCLUSIONS**Broadening of Coverage**

Exclusion **2.i.** (Electronic Data) is revised to introduce an exception for liability for damages because of bodily injury.

ELECTRONIC DATA LIABILITY COVERAGE FORM
CG 00 65 04 13

I. EXCLUSIONS**Other Changes**

Exclusion **2.g.** (Infringement Of Intellectual Property Rights) is revised to delete the exception pertaining to the use of another's advertising idea.

MULTISTATE ENDORSEMENTS

A. Broadening of Coverage

1. Electronic Data Liability Endorsement **CG 04 37** is revised to introduce an exception to the electronic data exclusion in order to provide that the exclusion does not apply to liability for damages because of bodily injury.
2. Additional Insured – Owners, Lessees Or Contractors – Automatic Status For Other Parties When Required In Written Construction Agreement Endorsement **CG 20 38** is introduced to provide additional insured status to those parties whom the named insured is obligated in writing in a contract or agreement to name as an additional insured.
3. Druggists Endorsement **CG 22 69** is revised to introduce an exception for the administering of vaccinations.
4. Liquor Liability – Bring Your Own Alcohol Establishments Endorsement **CG 24 06** is introduced to provide coverage to insureds who permit any person to bring any alcoholic beverage on an insured's premises, for consumption on the insured's premises.

B. Reductions of Coverage

1. Additional Insured – Users Of Golfmobiles Endorsement **CG 20 08** is revised to include a definition of the term golfmobile.

2. Liquor Liability Exclusion Endorsements

The following endorsements are revised to indicate that the liquor liability exclusion will apply if a named insured permits any person to bring any alcoholic beverages on the named insured's premises, for consumption on the named insured's premises:

- **CG 21 50** – Amendment Of Liquor Liability Exclusion (for use with Commercial General Liability Coverage Part)
 - **CG 21 51** – Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities (for use with Commercial General Liability Coverage Part)
 - **CG 29 52** – Amendment Of Liquor Liability Exclusion (for use with Products/Completed Operations Liability Coverage Part)
 - **CG 29 53** – Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities (for use with Products/Completed Operations Liability Coverage Part)
3. Total Pollution Exclusion For Designated Products Or Work Endorsement **CG 21 99** is introduced to exclude coverage with respect to bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants which arises out of the product or work scheduled in the endorsement.
 4. Amendment Of Personal And Advertising Injury Definition Endorsement **CG 24 13** is introduced to remove from the definition of personal and advertising injury the offense of oral and written publication, in any manner, of material that violates a person's right of privacy.

C. Other Changes

1. Limited Product Withdrawal Expense Endorsement **CG 04 36** is revised, in part, to reinforce that the Participation Percentage is indicated in the Schedule and to reflect that the cost of the insured's participation in each product withdrawal will be borne by the named insured when due.
2. Primary And Noncontributory – Other Insurance Condition Endorsement **CG 20 01** is introduced to revise the Other Insurance Condition to indicate that coverage is provided to an additional insured on a primary and noncontributory basis, provided that certain requirements are met.

3. Additional Insured Endorsements

The following additional insured endorsements are revised to indicate that when these endorsements are attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less:

- **CG 20 03** – Additional Insured – Concessionaires Trading Under Your Name
- **CG 20 05** – Additional Insured – Controlling Interest
- **CG 20 07** – Additional Insured – Engineers, Architects Or Surveyors
- **CG 20 10** – Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization
- **CG 20 11** – Additional Insured – Managers Or Lessors Of Premises
- **CG 20 12** – Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations
- **CG 20 13** – Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations Relating To Premises
- **CG 20 15** – Additional Insured – Vendors
- **CG 20 18** – Additional Insured – Mortgagee, Assignee Or Receiver
- **CG 20 23** – Additional Insured – Executors, Administrators, Trustees Or Beneficiaries
- **CG 20 24** – Additional Insured – Owners Or Other Interest From Whom Land Has Been Leased
- **CG 20 26** – Additional Insured – Designated Person Or Organization
- **CG 20 27** – Additional Insured – Co-owner Of Insured Premises
- **CG 20 28** – Additional Insured – Lessor Of Leased Equipment
- **CG 20 29** – Additional Insured – Grantor Of Franchise
- **CG 20 30** – Oil Or Gas Operations – Nonoperating, Working Interests
- **CG 20 31** – Additional Insured – Engineers, Architects Or Surveyors
- **CG 20 32** – Additional Insured – Engineers, Architects Or Surveyors Not Engaged By The Named Insured
- **CG 20 33** – Additional Insured – Owners, Lessees Or Contractors – Automatic Status When Required In Construction Agreement With You
- **CG 20 34** – Additional Insured – Lessor Of Leased Equipment – Automatic Status When Required In Lease Agreement With You
- **CG 20 35** – Additional Insured – Grantor Of Licenses – Automatic Status When Required By Licensor
- **CG 20 36** – Additional Insured – Grantor Of Licenses
- **CG 20 37** – Additional Insured – Owners, Lessees Or Contractors – Completed Operations
- **CG 29 35** – Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations

4. Professional Services Endorsements

The following endorsements are revised to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured:

- **CG 21 16** – Exclusion – Designated Professional Services
- **CG 21 52** – Exclusion – Financial Services
- **CG 21 56** – Exclusion – Funeral Services
- **CG 21 57** – Exclusion – Counseling Services
- **CG 21 58** – Exclusion – Professional Veterinarian Services
- **CG 21 59** – Exclusion – Diagnostic Testing Laboratories
- **CG 22 24** – Exclusion – Inspection, Appraisal And Survey Companies
- **CG 22 32** – Exclusion – Professional Services – Blood Banks
- **CG 22 33** – Exclusion – Testing Or Consulting Errors And Omissions
- **CG 22 34** – Exclusion – Construction Management Errors And Omissions
- **CG 22 36** – Exclusion – Products And Professional Services (Druggists)
- **CG 22 37** – Exclusion – Products And Professional Services (Optical And Hearing Aid Establishments)
- **CG 22 39** – Exclusion – Camps Or Campgrounds
- **CG 22 43** – Exclusion – Engineers, Architects Or Surveyors Professional Liability
- **CG 22 44** – Exclusion – Services Furnished By Health Care Providers
- **CG 22 45** – Exclusion – Specified Therapeutic Or Cosmetic Services
- **CG 22 48** – Exclusion – Insurance And Related Operations
- **CG 22 69** – Druggists
- **CG 22 71** – Colleges Or Schools (Limited Form)
- **CG 22 72** – Colleges Or Schools
- **CG 22 75** – Professional Liability Exclusion – Computer Software
- **CG 22 76** – Professional Liability Exclusion – Health Or Exercise Clubs Or Commercially Operated Health Or Exercise Facilities
- **CG 22 77** – Professional Liability Exclusion – Computer Data Processing
- **CG 22 79** – Exclusion – Contractors – Professional Liability
- **CG 22 80** – Limited Exclusion – Contractors – Professional Liability
- **CG 22 87** – Exclusion – Adult Day Care Centers
- **CG 22 88** – Professional Liability Exclusion – Electronic Data Processing Services And Computer Consulting Or Programming Services
- **CG 22 90** – Professional Liability Exclusion – Spas or Personal Enhancement Facilities
- **CG 22 91** – Exclusion – Telecommunication Equipment Or Service Providers Errors And Omissions
- **CG 22 96** – Limited Exclusion – Personal And Advertising Injury – Lawyers
- **CG 22 98** – Exclusion – Internet Service Providers And Internet Access Providers Errors And Omissions
- **CG 22 99** – Professional Liability Exclusion – Web Site Designers
- **CG 23 01** – Exclusion – Real Estate Agents Or Brokers Errors Or Omissions
- **CG 31 15** – Construction Project Management Protective Liability Coverage

5. Exclusion – Volunteer Workers Endorsement **CG 21 66** is revised to delete reference to "in the state" from Exclusion **2.g.** (Aircraft, Auto Or Watercraft).
6. Exclusion – Failure To Supply Endorsement **CG 22 50** is revised to expressly state that the exclusion also applies to the failure of any insured to adequately supply biofuel.
7. Pesticide Or Herbicide Applicator Coverage Endorsements **CG 22 64** and **CG 28 12** and Lawn Care Services Coverage Endorsement **CG 22 93** are revised to reflect a change in titles to Herbicide Applicator – *Limited Pollution* Coverage endorsements and Lawn Care Services – *Limited Pollution* Coverage.
8. Real Estate Property Managed Endorsement **CG 22 70** is revised to reinforce that the insurance provided is excess over any other insurance available, whether such insurance is primary or excess.
9. Colleges Or Schools Endorsements **CG 22 71** and **CG 22 72** are revised to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured.
10. Waiver Of Governmental Immunity Endorsement **CG 24 14** is revised to reference that the endorsement also applies to the Owners And Contractors Protective Liability Coverage Part and the Railroad Protective Liability Coverage Part.
11. Amendment Of Insured Contract Definition Endorsement **CG 24 26** and Limited Contractual Liability – Railroads Endorsement **CG 24 27** are revised to reflect that the defined term insured contract addresses certain liability assumed by the named insured with respect to the tort liability of another party to the extent the assumption of the tort liability is permitted by law.
12. Designated Locations(s) Aggregate Limit Endorsement **CG 25 14** is introduced to make a separate Designated Location Aggregate Limit available for each location of the insured listed in the Schedule of the endorsement.
13. Supplemental Extended Reporting Period Endorsement **CG 27 10** and Supplemental Extended Reporting Period Endorsement For Specific Accidents, Products, Work Or Locations Endorsement **CG 27 11** are revised to amend Condition **4.** (Other Insurance) so that the insurance provided is excess over any for which the named insured has been added as an additional insured, whether by endorsement or any other means.
14. Principals Protective Liability Coverage Endorsement **CG 28 07** is revised to delete reference to "in the state" from Exclusion **2.c.(1)(e)(i).**

15. Liquor Liability Exclusion Endorsements

The following endorsements are revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol:

- **CG 21 50** – Amendment Of Liquor Liability Exclusion (for use with Commercial General Liability Coverage Part)
- **CG 21 51** – Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities (for use with Commercial General Liability Coverage Part)
- **CG 29 52** – Amendment Of Liquor Liability Exclusion (for use with Products/Completed Operations Liability Coverage Part)
- **CG 29 53** – Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities (for use with Products/Completed Operations Liability Coverage Part)



IHQ A519114 00

Renewal of Number

**COMMERCIAL LINES POLICY
COMMON DECLARATIONS
COMMERCIAL MARINE**

Coverage is provided in the: HANOVER INSURANCE COMPANY
440 LINCOLN STREET
WORCESTER, MASSACHUSETTS 01653

POLICY NUMBER		POLICY PERIOD		AGENCY CODE
		FROM	TO	
RHQ A519114 01		12/23/2015	12/23/2016	5102243
NAMED INSURED AND MAILING ADDRESS				AGENT
(Street, Town or City, County, State, Zip Code) DIVINE WORD RADIO INC. DBA DIVINE WORD COMMUNICATIONS 14 W GADSDEN STREET PENSACOLA, FL 32502				BB&T- ATLANTIC RISK MGMT 5850 WATERLOO RD #240 COLUMBIA, MD 21045

DESCRIPTION OF BUSINESS

☐ Individual ☐ Corporation ☐ Partnership ☐ Joint Venture ☒ Other: NOT FOR PROFIT ORG.
Business Description: RADIO STATION

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PART(S) FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

		PREMIUM
• Commercial Property Coverage Part.....		\$ 720
• Commercial Crime Coverage Part.....		\$
• Commercial Inland Marine Coverage Part.....		\$ 5,948
• Boiler and Machinery Coverage Part.....		\$
• Ocean Marine.....		\$
• Terrorism.....		\$ 67
• State Surcharges FL		\$ 4.07
PREMIUM <input checked="" type="checkbox"/> The total premium of \$ 6,739.07 is due at inception <input type="checkbox"/> The total premium includes a deposit premium subject to adjustment		PAYMENT PLAN: DIRECT BILL

See list of Form (s) and Endorsement(s) applicable to all Coverage Part(s) and made a part of this policy at time of issue.

Countersigned:

By

Authorized Representative

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PARTS COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

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**FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS AND MADE A PART
OF THIS POLICY AT TIME OF ISSUE**

231-0862 12/14
IM201 05/08
401-0023B 02/14
401-1127 01/15
401-1374 01/15
CO1050 03/05
CO1052 04/02
CO1084 10/07
IM441-1165 07/12
IM5064 05/05
221-0163 10/03
CL0100 03/99
CL0160 11/11
CL0700 10/06
CO0218 11/11
CO0321 11/11
IM2019 08/09
CL0600 01/15
CO1000 10/02
CO1227 05/02
CO1220 10/07
IM441-1166 06/12
SIG1100 08/14

IM441-1056 (06-08)

Customer Notice of Privacy Policy and Producer Compensation Practices Disclosures

Privacy Policy Disclosure

Collection of Information

We collect personal information so that we may offer quality products and services. This information may include, but is not limited to, name, address, Social Security number, and consumer reports from consumer reporting agencies in connection with your application for insurance or any renewal of insurance. For example, we may access driving records, insurance scores or health information. Our information sources will differ depending on your state and/or the product or service we are providing to you. This information may be collected directly from you and/or from affiliated companies, non-affiliated third parties, consumer reporting agencies, medical providers and third parties such as the Medical Information Bureau.

We, and the third parties we partner with, may track some of the web pages you visit through cookies, pixel tagging or other technologies. We currently do not process or comply with any web browser's "do not track" signals or similar mechanisms that request us to take steps to disable online tracking. For additional information regarding online privacy, please see our online privacy statement, located at www.hanover.com.

Disclosure of Information

We may disclose non-public, personal information you provide, as required to conduct our business and as permitted or required by law. We may share information with our insurance company affiliates or with third parties that assist us in processing and servicing your account. We also may share your information with regulatory or law enforcement agencies, reinsurers and others, as permitted or required by law.

Our insurance companies may share information with their affiliates, but will not share information with non-affiliated third parties who would use the information to market products or services to you.

Our standards for disclosure apply to all of our current and former customers.

Safeguards to Protect Your Personal Information

We recognize the need to prevent unauthorized access to the information we collect, including information held in an electronic format on our computer systems. We maintain physical, electronic and procedural safeguards intended to protect the confidentiality and integrity of all non-public, personal information, including but not limited to social security numbers, driver's license numbers and other personally identifiable information.

Internal Access to Information

Access to personal, non-public information is limited to those people who need the information to provide our customers with products or services. These people are expected to protect this information from inappropriate access, disclosure and modification.

Consumer Reports

In some cases, we may obtain a consumer report in connection with an application for insurance. Depending on the type of policy, a consumer report may include information about you or your business, such as:

- character, general reputation, personal characteristics, mode of living;
- credit history, driving record (including records of any operators who will be insured under the policy); and/or
- an appraisal of your dwelling or place of business that may include photos and comments on its general condition.

Access to Information

Upon written request, we will inform you if we have ordered an investigative consumer report. You have the right to make a written request within a reasonable period for information concerning the nature and scope of the report and to be interviewed as part of its preparation. You may obtain a copy of the report from the reporting agency and, under certain circumstances, you may be entitled to a copy at no cost.

You also may review certain information we have about you or your business in our files. To review information we maintain in our files about you or your business, please write to us, providing your complete name, address and policy number(s), and indicating specifically what you would like to see. If you request actual copies of your file, there may be a nominal charge.

We will tell you to whom we have disclosed the information within the two years prior to your request. If there is not a record indicating that the information was provided to another party, we will tell you to whom such information is normally disclosed.

There is information that we cannot share with you. This may include information collected in order to evaluate a claim under an insurance policy, when the possibility of a lawsuit exists. It may also include medical information that we would have to forward to a licensed medical doctor of your choosing so that it may be properly explained.

Correction of Information

If after reviewing your file you believe information is incorrect, please write to the consumer reporting agency or to us, whichever is applicable, explaining your position. The information in question will be investigated. If appropriate, corrections will be made to your file and the parties to whom the incorrect information was disclosed, if any, will be notified. However, if the investigation substantiates the information in the file, you will be notified of the reasons why the file will not be changed. If you are not satisfied with the evaluation, you have the right to place a statement in the file explaining why you believe the information is incorrect. We also will send a copy of your statement to the parties, if any, to whom we previously disclosed the information and include it in any future disclosures.

Our Commitment to Privacy

In the insurance and financial services business, lasting relationships are built upon mutual respect and trust. With that in mind, we will periodically review and revise our privacy policy and procedures to ensure that we remain compliant with all state and federal requirements. If any provision of our privacy policy is found to be non-compliant, then that provision will be modified to reflect the appropriate state or federal requirement. If any modifications are made, all remaining provisions of this privacy policy will remain in effect. For more detailed information about our customer privacy policy (including any applicable state-specific policies) and our online privacy statement, visit our Web site, located at www.hanover.com.

Further Information

If you have questions about our customer privacy policy (including any applicable state-specific policies) or our online privacy statement, or if you would like to request information we have on file, please write to us at our Privacy Office, N435, The Hanover Insurance Group, Inc., 440 Lincoln Street, Worcester, MA 01653. Please provide your complete name, address and policy number(s). A copy of our Producer Compensation Disclosure is also available upon written request addressed to the attention of the Corporate Secretary, N435, The Hanover Insurance Group, 440 Lincoln Street, Worcester, MA 01653.

Producer Compensation Disclosure

Our products are sold through independent agents and brokers, often referred to as "Producers." We may pay Producers a fixed commission for placing and renewing business with our company. We may also pay additional commission and other forms of compensation and incentives to Producers who place and maintain their business with us. Details of our Producer compensation practices may be found at www.hanover.com.

This notice is being provided on behalf of the following Hanover Companies: The Hanover Insurance Group, Inc. - Allmerica Financial Alliance Insurance Company - Allmerica Financial Benefit Insurance Company - Allmerica Plus Insurance Agency, Inc. - Citizens Insurance Company of America - Citizens Insurance Company of Illinois - Citizens Insurance Company of the Midwest - Citizens Insurance Company of Ohio - Citizens Management, Inc. - AIX Ins. Services of California, Inc.- Campania Insurance Agency Co. Inc. - Campmed Casualty & Indemnity Co. Inc. - Chaucer Syndicates Limited- Educators Insurance Agency, Inc.- Hanover Specialty Insurance Brokers, Inc. - The Hanover American Insurance Company - The Hanover Insurance Company - The Hanover New Jersey Insurance Company - The Hanover National Insurance Company - Hanover Lloyd's Insurance Company - Massachusetts Bay Insurance Company - Opus Investment Management, Inc. - Professionals Direct Insurance Services, Inc. -Professional Underwriters Agency, Inc. - Verlan Fire Insurance Company - Nova Casualty Company - AIX Specialty Insurance Company.



Commercial Marine REPORTING CLAIMS

In the event of a claim losses must be reported by the insured or agent immediately through our National Claims Reporting Line @ 1-800-628-0250.

The caller then presses 2. This delivers the call to our Customer Care Team. Our representative will take the loss report and assign an adjuster.

Losses can also be faxed to us @ 1-800-399-4734.

BREAKDOWN OF FLORIDA TAXES, SURCHARGES AND ASSESSMENTS NOTICE TO POLICYHOLDERS

A portion of the premium due on this policy is due to various surcharges authorized by the state of Florida. The surcharges are not directly related to your policy, your risk characteristics, or to the Hanover Insurance Companies.

All voluntary insurers in the state of Florida are subject to multiple assessments and surcharges. Florida regulation allows companies to assess their policyholders to recoup these charges.

The Declaration page reflects the total premium including taxes and surcharges. A breakdown of the individual assessments is listed below:

FLORIDA TRUST FUND SURCHARGE	\$.07
FLORIDA STATE SURCHARGE	\$4.00
FLORIDA CITIZENS PROPERTY INSURANCE CORPORATION (CPIC) ASSESSMENT- EMERGENCY	\$
FLORIDA HURRICANE CATASTROPHE FUND	\$
FLORIDA GUARANTY ASSOCIATION (FIGA) REGULAR ASSESSMENT	\$

You have been billed for these assessments in accordance with the requirements of the state of Florida.

If you have any questions on this issue, please contact your agent for clarification.

THIS NOTICE IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT, AS AMENDED. THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

NOTICE – ACCEPTANCE OF TERRORISM COVERAGE AND DISCLOSURE OF PREMIUM

Schedule

Disclosure of Premium:	
Total Terrorism Premium	\$ 67
Fire Following Premium	\$ NOT APPLICABLE
Other than Fire Following Premium	\$ 67

Coverage for “acts of terrorism,” as defined in Section 102(1) of the Terrorism Risk Insurance Act (“Act”) is included in your policy. You are hereby notified that under the Act, as amended in 2015, the definition of “act of terrorism” is:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States’ government by coercion.

Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers’ liability for losses resulting from certified acts of terrorism. If the aggregate of 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 Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. 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.

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Schedule

Disclosure of Premium:	
Total Terrorism Premium	\$ 67
Fire Following Premium	\$ NOT APPLICABLE
Other than Fire Following Premium	\$ 67

Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States' government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of 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 Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. 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.

Acceptance or Rejection of Terrorism Insurance Coverage

- ☐ I elect to purchase terrorism coverage for certified acts of terrorism.
- ☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Applicant/Policyholder Signature

Print Name

Date

HANOVER INSURANCE COMPANY

Insurance Company

RHQ A519114 01

Quote or Policy Number

SCHEDULE OF COVERAGES COMMERCIAL OUTPUT PROGRAM

(The information required to complete this schedule
will be shown below or on the "schedule of coverages".)

	Limit of Insurance
Catastrophe Limit -- The most "we" pay for any combination of or total of losses arising under one or more coverages in any one occurrence is:	\$ <u>120,000</u>

PROPERTY COVERAGE PART

LIMITS

- Building Property Limit -- The most
"we" pay for loss at any one "covered location" is: \$ _____
- Business Personal Property Limit -- The most
"we" pay for loss at any one "covered location" is: \$ _____
- or
- Combined Blanket Limit -- The most "we" pay
for loss at any one "covered location" is: \$ _____

☒ Refer To Scheduled Locations

COVERAGE EXTENSIONS

- Consequential Loss BUSINESS PERSONAL PROPERTY LIMIT
- Debris Removal, Additional Expense \$ 50,000
- Emergency Removal 365 days
- Emergency Removal Expense \$ 5,000
- Fraud and Deceit \$ 5,000
- Damage From Theft POLICY LIMIT
- Off Premises Utility
Service Interruption
- Limit \$ 50,000

☒ Overhead Transmission Lines Excluded

SUPPLEMENTAL COVERAGES

-- Brands or Labels Expense	\$ <u>50,000</u>
-- Expediting Expenses	\$ <u>50,000</u>
-- Fire Department Service Charges	\$ <u>25,000</u>
-- Inventory and Appraisal Expense	\$ <u>50,000</u>
-- Ordinance or Law (Undamaged Parts of a Building)	\$ <u>BUILDING LIMIT</u>
-- Ordinance or Law (Increased Cost to Repair/ Cost to Demolish and Clear Site)	\$ <u>100,000</u>
-- Personal Effects	\$ <u>15,000</u>
-- Pollutant Cleanup And Removal	\$ <u>50,000</u>
-- Recharge of Fire Extinguishing Equipment	\$ <u>50,000</u>
-- Rewards	\$ <u>10,000</u>
-- Sewer Backup and Water Below the Surface	\$ <u>25,000</u>
-- Trees, Shrubs, and Plants	\$ <u>50,000</u>
-- Underground Pipes, Pilings, Bridges, and Roadways	\$ <u>250,000</u>

SUPPLEMENTAL MARINE COVERAGES

-- Accounts Receivable	\$ <u>50,000</u>
-- Electrical or Magnetic Disturbance of Computers	<u>BUSINESS PERSONAL PROPERTY LIMIT</u>
-- Power Supply Disturbance of Computers	<u>BUSINESS PERSONAL PROPERTY LIMIT</u>
-- Virus and Hacking Coverage	
- Limit any one occurrence	\$ <u>25,000</u>
- Limit any 12 month period	\$ <u>50,000</u>
-- Fine Arts	\$ <u>100,000</u>
-- Off Premises Computers	\$ <u>25,000</u>

SUPPLEMENTAL MARINE COVERAGES (cont.)

-- Property On Exhibition	\$ <u>50,000</u>
-- Property In Transit	\$ <u>50,000</u>
-- Sales Representative Samples	\$ <u>50,000</u>
-- Software Storage	\$ <u>50,000</u>
-- Valuable Papers	\$ <u>100,000</u>

ADDITIONAL PROPERTY SUBJECT TO LIMITATIONS

-- Furs (theft)	\$10,000
-- Jewelry (theft)	\$10,000
-- Stamps, Tickets, Letters of Credit	\$5,000

COVERAGE OPTIONS (check if applicable)

☐ Actual Cash Value Applies

☐ Automatic Increase

- Automatic Increase %

☒ Scheduled Locations

- Newly Built or Acquired Buildings	\$ <u>500,000</u>
- Personal Property - Acquired Locations	\$ <u>250,000</u>
- Locations "You" Elect Not To Describe	\$ <u>50,000</u>
- Coinsurance	<u>80</u> %

DEDUCTIBLE

Check One

☒ Deductible Amount \$ 2,500

☐ Refer to Deductible Endorsements

INCOME COVERAGE PART

COVERAGE (check one)

- ☒ Income Coverage Does Not Apply
- ☐ Earnings, Rents, and Extra Expense
- ☐ Earnings and Extra Expense
- ☐ Rents and Extra Expense
- ☐ Extra Expense Only

LIMIT (check one)

- ☐ Income Coverage Limit -- The most "we" pay for loss at any one "covered location" is: \$ _____
- ☐ Refer To Scheduled Locations (check if applicable)

COVERAGE EXTENSIONS

- | | | |
|----|---------------------------------|------|
| -- | Interruption By Civil Authority | days |
| -- | Period of Loss Extension | days |

SUPPLEMENTAL COVERAGES

- Computer Virus and Hacking
- Limit any one occurrence \$ _____
 - Limit any 12 month period \$ _____
 - Waiting Period _____
- Dependent Locations \$ _____
- Off Premises Utility Service Interruption
- Limit \$ _____
 - Waiting Period _____
- ☐ Overhead Transmission Lines Excluded

INCOME COVERAGE PART (cont.)

SUPPLEMENTAL COVERAGES (cont.)

- Contract Penalty
 - Limit any one occurrence \$ _____
 - Limit any 12 month period \$ _____
- Pollutants Cleanup and Removal \$ _____
- Property In Transit, On Exhibition, or Custody of Sales Representatives \$ _____

COVERAGE OPTIONS (check if applicable)

- ☐ Scheduled Locations
 - Newly Built or Acquired Locations \$ _____
 - Coinsurance _____%
 - ☐ Waiting Period _____
 - ☐ Monthly Limitation _____
-

FLOOD COVERAGE

- ☒ Not Covered
- ☐ Scheduled Flood Coverage
 - "Catastrophe Limit" \$ _____
 - Flood Deductible (\$,%) \$ _____
- ☐ Blanket Flood Coverage
 - "Occurrence Limit" \$ _____
 - "Aggregate Limit" \$ _____
 - "Catastrophe Limit" \$ _____
 - Flood Deductible (\$,%) _____

EARTHQUAKE COVERAGE

☒ Not Covered

☐ Scheduled Earthquake Coverage

- "Catastrophe Limit" \$ _____

- Earthquake Deductible (\$,%) _____

☐ Blanket Earthquake Coverage

- "Occurrence Limit" \$ _____

- "Aggregate Limit" \$ _____

- "Catastrophe Limit" \$ _____

- Earthquake Deductible (\$,%) _____

OPTIONAL COVERAGES AND ENDORSEMENTS

LOCATION SCHEDULE

(The entries required to complete this endorsement
will be shown below or on the "schedule of coverages".)

Coverage provided by the Commercial Output Program coverage parts applies only to the "covered locations" described below. Refer to "schedule of coverages" for applicable "limits", additional coverages, and applicable coinsurance percentage.

SCHEDULE

**Loc.
No.**

Covered Location (describe)

1-1	20872 NE KELLY AVENUE
	BLOUNTSTOWN, FL 32424

Covered Property/

Coverage Provided (describe)

Limit

BUILDING	\$ 95,000
BUSINESS PERSONAL PROPERTY	\$ 20,000
	\$
	\$
	\$

**Loc.
No.**

Covered Location (describe)

1-2	20872 NE KELLY AVENUE
	BLOUNTSTOWN, FL 32424

Covered Property/

Coverage Provided (describe)

Limit

BUILDING	\$ 5,000
	\$
	\$
	\$
	\$

WINDSTORM OR HAIL SCHEDULE

(The entries required to complete this schedule will be shown below or on the "schedule of coverages".)

**Loc.
No.**

Covered Location

1-1 20872 NE KELLY AVENUE
BLOUNTSTOWN, FL 32424

Windstorm Or Hail Deductible (check one)

☐ Flat Deductible \$ _____

☒ Percentage Deductible (check one)

☐ 1% ☐ 2% ☒ 5%

**Loc.
No.**

Covered Location

1-2 20872 NE KELLY AVENUE
BLOUNTSTOWN, FL 32424

Windstorm Or Hail Deductible (check one)

☐ Flat Deductible \$ _____

☒ Percentage Deductible (check one)

☐ 1% ☐ 2% ☒ 5%

SCHEDULE OF COVERAGES ATLANTIC RISK COMMUNICATION TOWER COVERAGE FORM

(The entries required to complete this schedule
will be shown below or on the "schedule of coverages".)

DESCRIBED PREMISES AND LIMITS

Check if applicable:

☒ Premises and **Limits** as per schedule on file at The Hanover Insurance Company dated 10/30/2015 and any subsequent changes.

☒ **Off-Site Coverage** – The most "we" pay in any one occurrence for loss to equipment and software while temporarily away from a described premises is: 10% of "Communication Equipment" "limits"

CATASTROPHE LIMIT

The most we pay for loss in any one occurrence for all coverages combined is \$396,500

LIMITS

Towers & Dishes	Building	Fence	Communication Equipment	Business Personal Property	Electronic Data Processing	Business Income/ Extra Expense
\$200,000	\$140,000	\$1,500	\$55,000	\$	\$	\$

COVERAGE EXTENSIONS

Additional Debris Removal Expenses As Per Form

Emergency Removal 365 days

Furniture and Fixtures and "Computer Equipment" As Per Form

Ordinance or Law (Increased Cost to Repair and Cost to Demolish and Clear Site) \$100,000

Ordinance or Law (Undamaged Parts of a Building, "Tower" Or Structure) \$100,000

SUPPLEMENTAL COVERAGES

"Communication Software"	<u>\$5,000</u>
Damage To Buildings And "Your" Personal Property OR (check if applies) <input checked="" type="checkbox"/> As Per Schedule On File Dated <u>10/30/2015</u> at The Hanover Insurance Company	\$_____
Newly Acquired Premises	<u>\$250,000</u>
Newly Purchased Or Leased Equipment	<u>\$100,000</u>
Expediting Expenses	<u>\$50,000</u>
"Pollutant" Cleanup And Removal	<u>\$10,000</u>
Tuning And Retuning	<u>\$5,000</u>
Sewer Backup Coverage	<u>As Per Form</u>

Earthquake Coverage (check one)

- ☐ Coverage Not Provided
- ☒ Coverage Provided, as described below:

Earthquake Limit -- The most "we" pay
for loss to property in any one building or
structure is: \$396,500

Earthquake Catastrophe Limit -- The most
"we" pay for loss in any one occurrence is: \$396,500

Flood Coverage (check one)

- ☐ Coverage Not Provided
- ☒ Coverage Provided, as described below:

Flood Limit -- The most "we" pay
for loss to property in any one building or structure is: \$396,500

Flood Catastrophe Limit -- The most
"we" pay for loss in any one occurrence is: \$396,500

DEDUCTIBLE AND COINSURANCE

DEDUCTIBLE

Deductible Amounts:

\$10,000 Applies per individual Tower
\$1,000 Applies to Buildings
\$1,000 Applies to Fence
\$1,000 Applies to Communication Equipment
\$_____ Applies to Business Personal Property
\$_____ Applies to Electronic Data Processing
\$_____ Applies to

Check If Applicable:

☒ Earthquake Coverage

Deductible Amount

\$25,000

☒ "Flood" Coverage

\$25,000

COINSURANCE

☐ Not Applicable

☐ 100% ☐ 90% ☒ 80% ☐ _____%

VALUATION

The value of "communication equipment", "towers", and satellite dishes will be based on (check one):

☐ Actual Cash Value

☒ Replacement Cost

☐ Agreed Amount

INCOME COVERAGE PART

COVERAGE OPTIONS (check one)

- Earnings And Extra Expense ☐
- Extra Expense only ☐
- Income Coverage Not Provided ☒

INCOME COVERAGE EXTENSIONS

Interruption By Civil Authority _____ days

Period of Loss Extension _____ days

SUPPLEMENTAL INCOME COVERAGES

Newly Acquired Premises \$ _____

Earthquake Coverage (check one)

- ☐ Coverage Not Provided
- ☐ Coverage Provided, as described below:

Earthquake Limit -- The most "we" pay
for loss to property in any one building or
structure is: \$ _____

Earthquake Catastrophe Limit -- The most
"we" pay for loss in any one occurrence is: \$ _____

Flood Coverage (check one)

- ☐ Coverage Not Provided
- ☐ Coverage Provided, as described below:

Flood Limit -- The most "we" pay
for loss to property in any one building or
structure is: \$ _____

Flood Catastrophe Limit -- The most
"we" pay for loss in any one occurrence is: \$ _____

Sewer Backup Coverage (check one)

- Coverage Not Provided

☐

- Coverage Provided

\$_____

INCOME COVERAGE OPTIONS

Income Coverage Waiting Period

_____ days

Coinsurance (check one)

☐ Not Applicable

☐ 100%

☐ 90%

☐ 80%

☐ _____%

OPTIONAL COVERAGES AND ENDORSEMENTS

WINDSTORM OR HAIL DEDUCTIBLE

(The entries required to complete this endorsement will be shown below or on the " schedule of coverages ".)

SCHEDULE

Covered Location	Deductible Amount
PER SCHEDULE ON FILE DATED 10/30/2015	\$ 25,000
	\$
	\$
	\$
	\$

The "terms" of this endorsement apply to the buildings or structures that are described on the schedule for Windstorm or Hail Deductible.

All other "terms" of this policy apply.

2. **Percentage Deductible** -- When a 1%, 2%, 5% or other windstorm or hail percentage deductible is indicated on the schedule, "we" pay only that part of "your" loss over the deductible amount in any one occurrence.

The deductible amount is determined by applying the percentage to the value of the covered property that is involved in the loss. The value is determined by the provisions described under the Valuation section of your policy.

The windstorm or hail percentage deductible applies separately to:

HOW MUCH WE PAY

The deductible provision under How Much We Pay is replaced by the following when loss to covered property identified on the schedule is caused by or results from windstorm or hail:

1. **Flat Deductible** -- When a flat dollar windstorm or hail deductible is indicated on the schedule, "we" pay only that part of "your" loss over the deductible amount in any one occurrence.
- a. each building or structure, including business personal property within each building or structure;
- b. business personal property located in each building or structure that is not covered by this policy; and
- c. business personal property in the open or in a vehicle.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED SCHEDULE

CITY OF PENSACOLA
PO BOX 12910
PENSACOLA, FL 32521
CONTACT: DEPT. OF RISK MANAGEMENT

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the policy other than as above stated.

(Completion of the following, including countersignature, is required to make this endorsement effective only when it is issued subsequent to preparation of the Policy.)

Effective _____ this endorsement forms a part of Policy No. _____

Issued to _____

By _____

Date of Issue _____

Countersigned by _____
Authorized Representative of the Company

COMMON POLICY CONDITIONS

1. **Assignment** -- This policy may not be assigned without "our" written consent.
2. **Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy, or one or more of its parts, by written notice sent to "you" at "your" last mailing address known to "us". If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.
3. **Change, Modification, or Waiver of Policy Terms** -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.
4. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations at any time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.
5. **Examination of Books and Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

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AMENDATORY ENDORSEMENT FLORIDA

1. Under Common Policy Conditions,
Cancellation is deleted and replaced by the
following:

Cancellation

- a. "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.
- b. "We" may cancel this policy by delivering or mailing written notice to "you" at the address shown in the policy. "Our" notice will state the specific reason(s) for cancellation. Proof of delivery or mailing is sufficient proof of notice.
- c. If this policy has been in effect for 90 days or less, "we" may cancel for any reason.

1) However:

- a) "We" may cancel this policy based on property insurance claims that are the result of an act of God only if "we" can show, by claims frequency or otherwise, that "you" have failed to take action reasonably necessary as requested by "us" to prevent further damage to "your" property.
 - b) "We" may cancel this policy based solely on a single property insurance claim that is the result of water damage only if "we" can demonstrate that "you" have failed to take action reasonably requested by "us" to prevent a future similar occurrence of damage to the insured property.
- 2) If "we" cancel for nonpayment of premium, "we" will give "you" notice at least 10 days before the cancellation is to be effective.
- 3) Except as provided in 4) and 5) below, if "we" cancel for any reason

other than nonpayment of premium, "we" will give "you" notice at least 20 days before the cancellation is to be effective. However, "we" may cancel immediately if there has been a material misstatement or misrepresentation or a failure to comply with the underwriting requirements that "we" have established.

- 4) If this policy is issued to cover a residential structure or its contents and immediately prior to the date of the cancellation notice, the insurance on "your" property was provided by "us" or by an insurer affiliated with "us" for at least 5 years, "we" will give "you" notice at least 120 days before the cancellation is to be effective.
- 5) If this policy is issued to cover a residential structure that has been damaged by a hurricane or windstorm that is the subject of a declaration of emergency issued by the Governor and an order filed by the Commissioner of Insurance Regulation, "we" may not cancel this policy until at least 90 days after the residential structure has been repaired. Such property will be deemed repaired when the work is substantially completed such that the structure is insurable by another authorized insurer writing policies in Florida.

However, "we" may cancel this policy prior to the completion of repairs as follows:

- a) upon 10 days' notice for nonpayment of premium; or
- b) upon 45 days' notice if:

- (1) there has been a material misstatement or fraud related to the claim;

- (2) "we" have determined that "you" have unreasonably caused a delay in the repair of the residential structure; or
 - (3) "we" have paid the policy "limits" applicable to covered building(s) and business personal property.
- d. If this policy has been in effect for more than 90 days, "we" may cancel based only on one or more of the following reasons:
 - 1) a failure to pay premium when due;
 - 2) a material misstatement or misrepresentation;
 - 3) a failure to comply with underwriting requirements that "we" established within 90 days of the policy effective date;
 - 4) a substantial change in the risk covered;
 - 5) the cancellation is for all insureds for a given class of insureds;
 - 6) the Florida Office of Insurance Regulation finds that the cancellation of some or all of "our" policies covering residential structures or their contents is necessary to protect the best interests of the public or policyholders and the Office approves "our" cancellation plan;
 - 7) property insurance claims that are the result of an act of God, but only if "we" can show, by claims frequency or otherwise, that "you" have failed to take action reasonably necessary as requested by "us" to prevent further damage to "your" property; or
 - 8) one or more property insurance claims that are the result of water damage, but only if "we" can demonstrate that "you" have failed to take action reasonably requested by "us" to prevent a future similar occurrence of damage to the insured property.
- e. If this policy has been in effect for more than 90 days and:
 - 1) "we" cancel for nonpayment of premium, "we" will give "you" notice at least 10 days before the cancellation is to be effective;
 - 2) except as provided in 3) and f. below, "we" cancel for one or more of the reasons provided in d.2) through d.8) above, "we" will give "you" notice at least 45 days before the cancellation is to be effective;
 - 3) this policy is issued to cover a residential structure or its contents and immediately prior to the date of the notice of cancellation the insurance on "your" property has been provided by "us" or by an insurer affiliated with "us" for:
 - a) less than 5 years and "we" cancel for any reason other than nonpayment of premium, "we" will give "you" notice at least 100 days before the cancellation is to be effective, except, if the effective date of the cancellation falls between June 1 and November 30, "we" will give "you" notice 100 days before the cancellation is to be effective or by June 1, whichever is earlier; or
 - b) 5 years or more and "we" cancel for any reason other than nonpayment of premium, "we" will give "you" notice at least 120 days before the cancellation is to be effective.
- f. If this policy has been in effect for more than 90 days and is issued to cover a residential structure that has been damaged by a hurricane or windstorm that is the subject of a declaration of emergency issued by the Governor and an order filed by the Commissioner of Insurance Regulation, "we" may not cancel this policy until at least 90 days after the residential structure has been repaired. Such property will be deemed repaired when the work is substantially completed such that the structure is insurable by another authorized insurer writing policies in Florida.

However, "we" may cancel this policy prior to the completion of repairs as follows:

- 1) upon 10 days' notice for nonpayment of premium; or
- 2) upon 45 days' notice if:
 - a) there has been a material misstatement or fraud related to the claim;
 - b) "we" have determined that "you" have unreasonably caused a delay in the repair of the residential structure; or
 - c) "we" have paid the policy "limits" applicable to the covered building and business personal property.
- g. If this policy is issued to cover a residential structure or its contents and "we" cancel for nonpayment of premium, which results from failure of the mortgagee to pay the premium when due, "we" will reinstate the policy retroactive to the date of cancellation if the premium is received not more than 90 days after the due date. By Florida law, the mortgagee is required to reimburse "you" for any penalty or fee imposed by "us" and paid by "you" for reinstating the policy.
- h. If "you" or "we" cancel this policy, "your" return premium, if any, will be refunded within 15 business days after the effective date of cancellation unless the final policy premium is determined by audit. If the final policy premium is determined by audit, an audit will be performed and premium refunded within 90 days from the date of cancellation. If an audit cannot be completed within that time, "we" will accept audit information that "you" provide and refund any return premium within 10 business days after "we" receive the necessary audit information from "you". If "we" are unable to obtain audit information due to "your" lack of cooperation, the deposit premium will be considered fully earned. In all cases, if the return premium is \$5.00 or

less, "we" will not provide a refund unless "you" expressly request it. Payment or tender of unearned premium is not a condition of cancellation.

2. Under Common Policy Conditions, the following condition is added:

Nonrenewal

- a. If "we" do not renew this policy, "we" will give "you" notice at the address shown in the policy. "Our" notice will state the specific reason(s) for nonrenewal. Proof of delivery or mailing is sufficient proof of notice.
- b. "We" may nonrenew this policy for any reason.

However:

- 1) "We" may nonrenew this policy based on property insurance claims that are the result of an act of God only if "we" can show, by claims frequency or otherwise, that "you" have failed to take action reasonably necessary as requested by "us" to prevent further damage to "your" property.
- 2) "We" may nonrenew this policy based solely on a single property insurance claim that is the result of water damage only if "we" can demonstrate that "you" have failed to take action reasonably requested by "us" to prevent a future similar occurrence of damage to the insured property.
- 3) "We" may nonrenew this policy based on the filing of claims for sinkhole loss only if:
 - a) the total of such claim payments equals or exceeds the policy "limits" of coverage for the policy in effect on the date of loss, for property damage to the covered building(s), as set forth on the declarations page; or

- b) "you" have failed to repair the structure in accordance with the engineering recommendations made pursuant to Florida law upon which any payment or policy proceeds were based.
- c. Except as provided in d. and e. below, if "we" do not renew this policy, "we" will give "you" notice at least 45 days before the nonrenewal is to be effective.
- d. If this policy is issued to cover a residential structure or its contents and immediately prior to the date of the notice of nonrenewal the insurance on "your" property has been provided by "us" or by an insurer affiliated with "us" for:
 - 1) less than 5 years, "we" will give "you" notice at least 100 days before the nonrenewal is to be effective, except, if the effective date of the nonrenewal falls between June 1 and November 30, "we" will give "you" notice 100 days before the nonrenewal is to be effective or by June 1, whichever is earlier. However, if the nonrenewal is due to a revision in the coverage for sinkhole losses and catastrophic ground cover collapse pursuant to Florida law governing such coverage, the requirement for providing notice by June 1 does not apply, in which case notice will be given at least 100 days before the nonrenewal effective date; or
 - 2) 5 years or more, "we" will give "you" notice at least 120 days before the nonrenewal is to be effective.
- e. If this policy is issued to cover a residential structure that has been damaged by a hurricane or windstorm that is the subject of a declaration of emergency issued by the Governor and an order filed by the Commissioner of Insurance Regulation, "we" will give "you" notice at least 90 days before the nonrenewal is to be effective, and such effective date will not be less than 90 days after the residential structure has been repaired. A damaged residential structure will be deemed repaired when the work is substantially completed such that the structure is insurable by another authorized insurer writing policies in Florida.

However, "we" may nonrenew this policy prior to the completion of repairs as follows:

- 1) upon 10 days' notice for nonpayment of premium; or
- 2) upon 45 days' notice if:
 - a) there has been a material misstatement or fraud related to the claim;
 - b) "we" have determined that "you" have unreasonably caused a delay in the repair of the residential structure; or
 - c) "we" have paid the policy "limits" applicable to covered building(s) and business personal property.
- 3. Under Common Policy Conditions, the following condition is added:

Renewal -- If "we" decide to renew this policy, "we" will give "you" written notice of the renewal premium and any change in policy terms (excluding the correction of typographical or scrivener's errors or the application of mandated legislative changes) at least 45 days prior to the renewal date.

However, if the Florida Office of Insurance Regulation finds that the nonrenewal of some or all of "our" policies covering residential structures or their contents is necessary to protect the best interests of the public or policyholders and the Office approves "our" nonrenewal plan, "we" will give "you" notice at least 45 days before the nonrenewal is to be effective.

4. Under Common Policy Conditions, Inspections is deleted and replaced by the following:

Inspections -- "We" have the right, but are not obligated, to inspect "your" property and operations. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report is not an agreement that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.

VIRUS OR BACTERIA EXCLUSION

DEFINITIONS

Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

PERILS EXCLUDED

The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

1. The following exclusion is added under Perils Excluded, item 1.:

Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
 - b. any denial of access to property because of any virus, bacterium, or other microorganism.
2. **Superseded Exclusions** -- The Virus or Bacteria exclusion set forth by this endorsement supersedes the "terms" of any other exclusions referring to "pollutants" or to contamination with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

OTHER CONDITIONS

Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

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CATASTROPHIC GROUND COVER COLLAPSE AND SINKHOLE ACTIVITY

The following amends the Commercial Output
Program - Property Coverage Part:

DEFINITIONS

1. The following definitions are added:

- a. "Catastrophic ground cover collapse" means geological activity that results in all of the following:
 - 1) the abrupt collapse of the ground cover;
 - 2) a depression in the ground cover clearly visible to the naked eye;
 - 3) "structural damage" to the covered building, including the foundation; and
 - 4) the insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for the structure.
- b. "Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.
- c. "Primary structural system" means an assemblage of "primary structural members".
- d. "Professional engineer" means a person who has a bachelor's degree or higher in engineering and experience and expertise in the identification of "sinkhole activity" as well as other potential causes of "structural damage".
- e. "Professional geologist" means a person who has a bachelor's degree or higher in geology or related earth science and experience and expertise in the identification of "sinkhole activity" as well as other potential geologic causes of "structural damage".
- f. "Sinkhole activity" means settlement or systematic weakening of the earth supporting a covered building or structure only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.
- g. "Structural damage" means a covered building, regardless of the date of construction, has experienced the following:
 - 1) interior floor displacement or deflection in excess of acceptable variances as defined in the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;
 - 2) foundation displacement or deflection in excess of acceptable variances as defined in the Florida Building Code, which results in settlement related damage to the "primary structural members" or "primary structural systems" that prevents those members or systems from supporting the loads and forces they were designed to support such that the stresses in those "primary structural members" or "primary structural systems" exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, and location;

- 3) damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical "primary structural members" such that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
 - 4) damage that results in the building, or any portion of the building containing "primary structural members" or "primary structural systems", being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
 - 5) damage occurring on or after October 15, 2005, that qualifies as "substantial structural damage" as defined in the Florida Building Code.
- h. "Substantial structural damage" means a condition where:
- 1) in any story, the elements of the lateral force-resisting system have suffered damage such that the lateral load-carrying capacity of the structure in any horizontal direction has been reduced by more than 20 percent from its pre-damaged condition; or
 - 2) the capacity of any vertical load-carrying component, or any group of such components, that supports more than 30 percent of the total area of the structure's floor(s) and roof(s) has been reduced more than 20 percent from its pre-damaged condition and the remaining capacity of such affected elements, with respect to all dead and live loads, is less than 75 percent of that required by the Florida Building Code for new buildings of similar structure, purpose, and location.
2. The definition of "specified perils" is deleted and replaced by the following:

Subject to the restrictions that follow, "specified perils" means aircraft; "catastrophic ground cover collapse"; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole activity"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Restrictions

 - a. "Catastrophic ground cover collapse" does not include:
 - 1) damage consisting merely of the settling or cracking of a foundation, structure, or building; or
 - 2) loss to business personal property unless "catastrophic ground cover collapse" also causes damage to a covered building or structure containing the business personal property.
 - b. Falling objects does not include loss to:
 - 1) business personal property in the open; or
 - 2) the interior of buildings or structures or business personal property inside buildings or structures unless the exterior of the roof or walls are first damaged by a falling object.
 - c. "Sinkhole activity" does not include:
 - 1) loss to business personal property unless "sinkhole activity" also causes "structural damage" to a covered building or structure containing the business personal property; or
 - 2) the value of land.
 - d. Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

PERILS EXCLUDED

1. The Earth Movement exclusion is deleted and replaced by the following:

Earth Movement -- "We" do not pay for loss caused by any earth movement or caused by eruption, explosion, or effusion of a volcano. Earth movement includes, but is not limited to, earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting of earth. However, this exclusion does not apply to loss caused by "catastrophic ground cover collapse" or "sinkhole activity", as described under the definition of "specified perils".

"We" do cover direct loss by fire, explosion, or "volcanic action" resulting from either earth movement or eruption, explosion, or effusion of a volcano.

This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

2. The Collapse exclusion is amended to include the following:

However, this exclusion does not apply to loss caused by "catastrophic ground cover collapse" or "sinkhole activity", as described under the definition of "specified perils".

OTHER COVERAGES

1. Under Collapse, paragraph a.1) is deleted and replaced by the following:
 - 1) "specified perils" (other than "catastrophic ground cover collapse" or "sinkhole activity") or breakage of building glass, all only as insured against in the Commercial Output Program - Property Coverage Part;

2. The following other coverage is added. It does not increase the "limit" that applies to covered property.

Stabilization

- a. Upon receipt of a claim for loss to a covered building or structure caused by "sinkhole activity", "we" will conduct an initial inspection of the property and provide written notice to "you" disclosing the following:
 - 1) the cause of the damage, if determined;
 - 2) the circumstances under which "we" are required to engage a "professional engineer" or a "professional geologist" to verify that the loss was or was not caused by "sinkhole activity" and to engage a "professional engineer" to make recommendations regarding stabilization and foundation repairs to the land and building; and
 - 3) "your" right to request testing by a "professional engineer" or a "professional geologist", and the circumstances under which "you" may demand certain testing and incur costs associated with testing.
- b. If "we" deny "your" claim for "structural damage" to a covered building without engaging a "professional engineer" or "professional geologist" to perform testing in accordance with Florida law, "you" may demand that such testing be completed.
 - 1) "You" must communicate "your" demand for testing to "us" in writing within 60 days after "you" receive "our" denial of the claim.
 - 2) "You" must pay 50 percent of the actual cost of the analyses and services provided by "our" engineer or geologist in accordance with Florida law or \$2,500, whichever is less.

- 3) "We" will reimburse "you" for the costs if "our" engineer or geologist provides written certification in accordance with Florida law that the loss was caused by "sinkhole activity".
- c. If loss to a covered building or structure is verified to have been caused by "sinkhole activity", "we" will provide notice to "you" of the verification and "we" will pay to stabilize the building or structure, stabilize the land under that building or structure, and repair the foundation of that building or structure in accordance with the recommendations of a "professional engineer" as provided under Florida law, subject to the provisions of this policy.
 - 1) If the "professional engineer" determines that such building stabilization and foundation repairs cannot be completed within the applicable policy "limit", "we" must pay to complete the recommended repairs or tender the applicable policy "limit" to "you";
 - 2) any payment "we" make to:
 - a) complete such repairs; or
 - b) tender the applicable policy "limit";

will be based on the actual cash value of the covered property (with a deduction for depreciation) at the time of sinkhole loss, subject to the Loss Settlement Terms set forth under How Much We Pay; and
 - 3) "we" will not pay for underpinning or grouting or any other repair technique performed below the existing foundation of the building.
- e. In order to prevent additional damage to the covered building or structure, "you" must enter into a contract for the performance of building stabilization and foundation repairs within 90 days after "we" confirm coverage for a loss caused by "sinkhole activity" and notify "you" of such confirmation. However, this time period will be tolled if either "you" or "we" request a Neutral Evaluation, in which case the time period begins 10 days after the conclusion of the Neutral Evaluation process.
- f. After "you" enter into a contract for the performance of building stabilization and foundation repairs:
 - 1) "we" will pay the amounts required for such repairs as the work is performed and expenses are incurred;
 - 2) the amount "we" pay for such repairs will be based on the actual cash value of the covered property (with a deduction for depreciation) at the time of sinkhole loss, unless an entry on the "declarations" indicates that the value of the covered property is based on its replacement cost; and
 - 3) when replacement cost is shown on the "declarations" for the covered property, the amount "we" pay for such repairs will be based on the property's replacement cost, without any deduction for depreciation.

However, "we" cannot require "you" to advance any payment for these repairs.
- g. Stabilization and all other structural and contents repairs must be completed within 12 months after entering into the contract referenced in e. above unless:
 - 1) "you" and "we" mutually agree not to be bound by such time frame;
 - 2) the claim is involved in a Neutral Evaluation process;
 - 3) the claim is in litigation; or
 - 4) the claim is involved in a Mediation program.

- h. "You" may not accept a rebate from any person performing land and building stabilization and foundation repairs. If "you" do receive such a rebate, coverage for loss caused by "sinkhole activity" is void and "you" must refund the amount of the rebate to "us".
- i. If loss to a covered building or structure is verified to not have been caused by "sinkhole activity" and "you" have submitted the claim in bad faith, "you" will be required to reimburse "us" for 50 percent of the actual costs of the analyses and services provided by "our" "professional engineer" or "professional geologist" in accordance with Florida law. However, reimbursement will not exceed \$2,500 with respect to any claim, and will be required only if "you" requested such analyses and services and before ordering such analysis "we" informed "you" in writing of "your" potential liability for reimbursement and gave "you" the opportunity to withdraw the claim.

AMENDATORY ENDORSEMENT FLORIDA

The following amends the **COMMERCIAL
OUTPUT PROGRAM -- PROPERTY
COVERAGE PART**:

1. Under What Must Be Done In Case Of Loss, Notice item a. is amended to include the following:

In case of loss caused by windstorm, including wind, wind gusts, hail, rain, tornadoes, or cyclones, all whether caused by or resulting from windstorm or hurricane, "your" initial claim, supplemental claim, or reopened claim will be barred unless "you" provide notice of such initial, supplemental, or reopened claim to "us" or "our" agent within 3 years after the windstorm caused the covered damage or the hurricane, as defined by Florida law, first made landfall.

In case of loss caused by "sinkhole activity", "your" initial claim, supplemental claim, or reopened claim will be barred unless "you" provide notice of such initial, supplemental, or reopened claim to "us" or "our" agent within 2 years after "you" knew or reasonably should have known about the loss.

2. Under What Must Be Done In Case Of Loss, the following is added:

**Acknowledgement Of Claims
Communications And Claims
Investigation**

- a. Within 14 calendar days after receiving a communication from "you" regarding a claim, "we" will acknowledge the receipt of such communication. If the communication from "you" constitutes a first notification of a claim, the acknowledgement will either advise "you" that the claim appears not to be covered, or will include materials needed to process the claim, including but not limited to:

- 1) necessary claim forms;
- 2) instructions; and

- 3) an appropriate telephone number.

- b. If the communication from "you" includes a completed proof of loss, "we" will begin investigating the claim within 10 business days after "our" receipt of that communication, unless factors beyond "our" control reasonably prevent "us" from doing so.

3. The following is added to the provisions that apply to What Must Be Done In Case Of Loss:

If "we" need, or someone acting on "our" behalf needs, access to "you", a claimant, or property covered under this policy that is the subject of a claim, "we", or the person acting on "our" behalf, will provide "you", the person acting on "your" behalf, or the claimant at least 48 hours' notice before scheduling a meeting with "you" or the claimant or an onsite inspection of the property. "You" or the claimant may deny access to the property if the notice has not been provided. In addition, "you" or the claimant may waive the 48-hour notice.

4. Under Loss Payment, Your Losses is deleted and replaced by the following:

"We" adjust each loss with "you".

- a. "We" pay an insured loss within 20 days after an acceptable proof of loss is received and the amount of the loss is agreed to in writing. If "you" and "we" do not agree, "we" pay within:

- 1) 20 days after the filing of an appraisal award with "us";
- 2) 20 days after "you" and "we" have agreed, in writing, to a mediation settlement; or
- 3) 60 days after there is an entry of a final judgment.

- b. Within 90 days after "we" receive notice from "you" of an initial, reopened, or supplemental property claim, "we" will pay or deny such claim or a portion of the claim unless the failure to pay such claim or a portion of the claim is caused by factors beyond "our" control that reasonably prevent such payment.

Item b. applies only to the following:

- 1) a claim for structural or contents coverage under a commercial property policy if the insured structure is 10,000 square feet or less; or
- 2) a claim for contents coverage under a commercial tenant's policy if the insured premises are 10,000 square feet or less.

Payment is made to "you" unless a loss payee is named.

For a loss caused by "sinkhole activity", if "we" receive written approval from "you" and any lienholder, "we" may pay the persons selected by "you" to perform the land and building stabilization and foundation repairs directly. "Our" decision to make payment directly to such persons does not make "us" liable for the work performed.

As a precondition to receiving payment for loss caused by "sinkhole activity", "you" must first file a copy of the sinkhole report regarding the covered property, which was prepared on "your" behalf or at "your" request by a "professional engineer" or "professional geologist" in accordance with Florida law.

- 5. Under Other Conditions, Misrepresentation, Concealment, Or Fraud is deleted and replaced by the following:

Misrepresentation, Concealment, Or Fraud -- The coverage provided by this policy may be voided if before or after a loss "you" have or any other insured has made a misrepresentation, omission, concealment of fact, or incorrect statement and any of the following apply:

- a. The misrepresentation, omission, concealment or statement is:
 - 1) fraudulent; or
 - 2) material either to the acceptance of the risk or to the hazard assumed by "us".

- b. If the true facts had been known to "us" regarding such misrepresentation, omission, concealment or statement, "we" in good faith would not have issued this policy, would not have issued it at the premium charged or in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss.

- 6. Under Other Conditions, the following condition is added:

Neutral Evaluation -- This applies to loss alleged to be caused by "sinkhole activity" only, and does not invalidate the Appraisal condition for such loss.

- a. Upon receipt of the report and certification as to the cause of distress to the property provided by a "professional engineer" or "professional geologist" or if "we" deny "your" sinkhole loss claim, "we" will advise "you" of "your" right to participate in a neutral evaluation process. Either "you" or "we" may request a neutral evaluation. Neutral evaluation is nonbinding, but mandatory if requested by either party. If requested, a neutral evaluation will be conducted according to Florida law. "We" will pay the reasonable costs associated with the neutral evaluation. However, if either "you" or "we" choose to hire a court reporter or stenographer to contemporaneously record and document the neutral evaluation, the party that so chooses must bear the costs for recording and documenting the neutral evaluation.

- b. Any court proceeding related to the subject matter of the neutral evaluation will be stayed pending completion of the neutral evaluation and for 5 days after the filing of the neutral evaluator's report with the court.

- 7. Under Other Conditions, Suit Against Us is deleted and replaced by the following:

Suit Against Us -- No one may bring a legal action against "us" under this coverage unless:

- a. all the "terms" of the Commercial Output Program coverages have been complied with; and

- b. the suit has been brought within the later of:

- 1) 5 years from the date of the loss; or
- 2) 60 days after the conclusion of a neutral evaluation conducted in connection with a disputed loss alleged to be caused by "sinkhole activity".

If any applicable law makes this limitation invalid, then suit must begin within the period permitted by that law.

AMENDATORY ENDORSEMENT FLORIDA

1. Under Loss Payment, Your Losses is amended to include the following:

If "we" have agreed in writing to the settlement of a claim, "we" will pay for that loss within 20 days after such settlement is reached.

2. Under Other Conditions, Misrepresentation, Concealment, Or Fraud is deleted and replaced by the following:

Misrepresentation, Concealment, Or Fraud -- This coverage may be voided if, before or after a loss:

- a. an insured has willfully concealed or misrepresented:

- 1) any material fact or circumstance concerning this insurance; or
- 2) an insured's interest herein if material.

This means "we" would not have issued the policy at the premium charged if "we" had known the facts "you" concealed or misrepresented.

- b. there has been fraud or false swearing by an insured with respect to this insurance or the subject thereof.

3. In all coverage forms except Cold Storage Locker Coverage, Contingent Cargo Coverage, Motor Truck Cargo Legal Liability Coverage, Riggers' Legal Liability Coverage, and Warehouse Legal Liability Coverage, under Other Conditions, paragraph b. of Suit Against Us is deleted and replaced by the following:

- b. the suit has been brought within five years after "you" first have knowledge of the loss.

CERTIFIED TERRORISM LOSS

1. The following definitions are added.
 - a. "Certified act of terrorism" means an 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:
 - 1) to be an act of terrorism;
 - 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
 - 3) to have resulted in damage:
 - a) within the United States; or
 - b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
 - 4) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion; and
 - 5) to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.
 - b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".
2. The "terms" of any terrorism exclusion that is part of or that is attached to this Coverage Part are amended by the following provision:

This exclusion does not apply to "certified terrorism loss".
3. The following provision is added.

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a calendar year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a calendar year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.
4. The following provisions are added.
 - a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion; and
 - b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion.

COMMERCIAL OUTPUT PROGRAM PROPERTY COVERAGE PART

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Commercial Output Program. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the "schedule of coverages".
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Accident" means direct physical loss as follows:
 - a. mechanical breakdown;
 - b. rupturing or bursting of moving parts of machinery caused by centrifugal force;
 - c. loss caused by arcing or electrical currents other than lightning;

- d. explosion of steam boilers, steam pipes, steam turbines, or steam engines that "you" own or lease or that are operated under "your" control;
 - e. loss to steam boilers, steam pipes, steam turbines, or steam engines caused by any condition or occurrence within such equipment; or
 - f. loss to hot water boilers or heaters caused by any condition or occurrence within such equipment.
4. "Business" means the usual business operations occurring at "covered locations" including the tenantability of "covered locations" when the selected coverage option includes "rents".
5. "Computers" means:
 - a. "hardware" owned by "you" or in "your" care, custody, or control; or
 - b. "software".
6. "Computer hacking" means an unauthorized intrusion by an individual or group of individuals, whether employed by "you" or not, into a "computer", a Web site, or a "computer" network and that results in but is not limited to:
 - a. deletion, destruction, generation, or modification of "software";
 - b. alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
 - c. observation, scanning, or copying of "data records", "programs and applications", and "proprietary programs";

- d. damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
 - e. denial of access to or denial of services from "computers", "computer" network, or Web site including related "software".
7. "Computer virus" means the introduction into a "computer", "computer" network, or Web site of any malicious, self-replicating electronic data processing code or other code and that is intended to result in, but is not limited to:
- a. deletion, destruction, generation, or modification of "software";
 - b. alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
 - c. damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
 - d. denial of access to or denial of services from "computers", "computer" network, or Web site including related "software".
8. "Covered equipment", unless otherwise specified in a schedule, means equipment:
- a. that generates, transmits, or utilizes energy; or
 - b. which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

Such equipment must be covered property, except as specifically provided for under Utility Service Interruption coverage and the Spoilage Coverage Part.

"Covered equipment" does not mean:

- a. equipment manufactured by "you" for sale;

- b. buildings, structures, or compartments that cover or house "covered equipment";
 - c. foundations that support "covered equipment";
 - d. sewage and other underground piping and vessels, water piping, or sprinkler system piping. However, "we" cover:
 - 1) boiler feedwater and condensate return piping; and
 - 2) water piping for heating, air conditioning, or refrigeration systems;
 - e. "mobile equipment", including but not limited to draglines or other excavation equipment;
 - f. aircraft or watercraft and their motors, equipment, and accessories;
 - g. automobiles, motor trucks, tractors, trailers, and similar conveyances and their motors, equipment, and accessories. However, any property that is stationary, permanently installed at a "covered location", and receives electrical power from an external power supplier will not be considered an automobile, motor truck, tractor, or trailer; or
 - h. "computers".
9. "Covered location" means any location or premises where "you" have buildings, structures, or business personal property covered under this coverage.

However, if the Scheduled Locations Endorsement is added to this policy, "covered location" means a location that is described on the Location Schedule.

"Covered location" does not mean vehicles containing covered property, except vehicles on or within 1,000 feet of the premises of any covered building or structure.

10. "Data records" means files, documents, and information in an electronic format and that are stored on "media".
11. "Dependent locations" means locations that are operated by others and that "your" "business" depends on, as described below. Dependent locations includes but is not limited to:
 - a. contributing locations, these are "your" suppliers' locations or locations of suppliers that deliver services or materials to others for "your" account. Contributing locations do not include suppliers of:
 - 1) water;
 - 2) telecommunications, including but not limited to Internet service providers; or
 - 3) power;
 - b. recipient locations, these are locations that receive "your" products;
 - c. leader locations, these are locations that attract customers to "your" "business"; or
 - d. manufacturing locations, these are locations that make products for delivery to "your" customers under contract of sale.
12. "Fine arts" means bona fide works of art of rarity, historical value, or artistic merit, including but not limited to paintings, etchings, pictures, tapestries, and art glass windows.
13. "Flood" means flood, surface water, waves, tidal water, or the overflow of a body of water, all whether driven by wind or not. This includes spray that results from any of these whether driven by wind or not.
14. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results. "Hardware" includes but not limited to:
 - a. mainframe and mid-range computers and servers;
 - b. personal computers and workstations;
 - c. laptops, palmtops, notebook PCs, other portable computer devices and accessories including, but not limited to, multimedia projectors; and
 - d. peripheral data processing equipment, including but not limited to, printers, keyboards, monitors, and modems.
15. "Limit" means the amount of coverage that applies.
16. "Media" means an instrument that is used with "hardware" and on which "data records", "programs and applications", and proprietary programs can be recorded or stored. "Media" includes, but is not limited to, films, tapes, cards, discs, drums, cartridges, cells, DVDs, or CD-ROMs.
17. "Mobile equipment" means:
 - a. contractors' equipment or similar equipment of a mobile or floating nature;
 - b. self-propelled vehicles designed and used primarily to carry mounted equipment; or
 - c. vehicles designed for highway use that are unlicensed and not operated on public roads.
18. "Money" means currency, bullion, coins, bank notes in current use, and traveler's checks, register checks, and money orders held for sale to the public.
19. "Off-site server" means a server for "your" Web site that is being maintained or operated by and that is located at the premises of:
 - a. an independent contractor acting as "your" Web host; or
 - b. "your" Internet service provider that is acting as "your" Web host.

20. "One accident" means:

When an initial "accident" causes or results in other "accidents", all of the "accidents" will be considered "one accident". All "accidents" that are the result of the same occurrence will be considered "one accident".

21. "Perishable stock" means personal property preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.

22. "Pollutant" means:

- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including but not limited to acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
- b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.

23. "Programs and applications" means operating programs and applications that "you" purchase and that are:

- a. stored on "media"; or
- b. pre-installed and stored in "hardware".

Applications includes, but is not limited to, programs for word processing, spreadsheet calculations, and graphic design.

24. "Proprietary programs" means proprietary operating programs and applications that "you" developed or that "you" had developed specifically for "you" and that are:

- a. stored on "media"; or
- b. installed and stored in "hardware".

25. "Rents" means "your" actual loss of:

- a. rental income from a "covered location" as furnished or equipped by "you", less any expenses that do not continue;

- b. the fair rental value of any part of a "covered location" that "you" occupy, less any expenses that do not continue; and
- c. other charges for which a tenant is legally obligated and which "you" would otherwise be obligated.

26. "Restoration period" means:

- a. The time it should reasonably take to resume "your" "business" to a similar level of service starting from the date of a physical loss of or damage to property at a "covered location" that is caused by a covered peril and ending on the date:
 - 1) the property should be rebuilt, repaired, or replaced; or
 - 2) business is resumed at a new permanent location.

This is not limited by the expiration date of the policy.

- b. The "restoration period" also means the increased time required to comply with the enforcement of any ordinance, law, or decree that:

- 1) regulates the construction, use, or repair of any property; or
- 2) requires the demolition of any property, in part or in whole, not damaged by a covered peril.

However, except as provided under Supplemental Income Coverage, Pollutant Cleanup and Removal, "we" do not cover the costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else 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 ordinance, law, or decree must be in force at the time of loss.

- c. Only as regards coverage described under Dependent Locations in the Supplemental Income Coverages, "restoration period" also means the time it should reasonably take to resume "your" "business" starting from the date of direct physical loss of or damage to a "dependent location" caused by a covered peril, and ending on the date:
- 1) the property at the "dependent location" should be rebuilt, repaired, or replaced; or
 - 2) business is resumed at a new, permanent location.
- This is not limited by the expiration date of the policy.
- d. Only as regards coverage described under Off Premises Utility Service Interruption; and Property In Transit, On Exhibition, or In the Custody Of Sales Representatives in the Supplemental Income Coverages, "restoration period" also means the time it should reasonably take to resume "your" "business" starting from the date of direct physical loss of or damage caused by a covered peril to:
- 1) property not located at a "covered location" and that is owned by a utility, a landlord, or another utility supplier;
 - 2) the "off-site server" for "your" Web site or the location that houses the "off-site server" for "your" Web site;
 - 3) property in transit, on exhibition, or in the custody of sales representatives; and ending on the date the property should be rebuilt, repaired, or replaced. This is not limited by the expiration date of the policy.
27. "Schedule of coverages" means:
- a. all pages labeled schedule of coverages or schedules which pertain to this coverage; and
 - b. declarations or supplemental declarations which pertain to this coverage.
28. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property. This includes, but is not limited to, stock certificates; tokens, tickets, revenue, or stamps (whether represented by actual stamps or unused value in a meter) in current use; and evidences of debt used in connection with charge, credit, or debit cards that are not issued by "you", but does not include "money".
29. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
30. "Software" means:
- a. "media";
 - b. "data records";
 - c. "programs and applications"; and
 - d. "proprietary programs".
31. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.
- Falling objects does not include loss to:
- a. business personal property in the open; or
 - b. to the interior of buildings or structures, or business personal property inside buildings or structures unless the exterior of the roof or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

32. "Spoilage" means any detrimental change in physical state of "perishable stock". Detrimental change includes, but is not limited to, thawing of frozen goods, warming of refrigerated goods, solidification of liquid or molten material, chemical reactions to material in process, and reduction in value of time sensitive materials.
33. "Terms" are all provisions, limitations, exclusions, conditions, and definitions that apply.
34. "Theft" means any act of stealing, including burglary or robbery.
35. "Valuable papers" means documents, manuscripts, or records that are inscribed, printed, or written. This includes, but is not limited to, abstracts, books, deeds, drawings, films, maps, or mortgages.
36. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow. It does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

"We" cover direct physical loss to covered property at a "covered location" caused by a covered peril.

BUILDING PROPERTY

1. **Covered Building Property** -- Covered Building Property means buildings and structures and:

- a. completed additions;
- b. fixtures, machinery, and equipment which are a permanent part of a covered building or structure;
- c. outdoor fixtures;
- d. personal property owned by "you" and used to maintain or service a covered building or structure or its premises. This includes air-conditioning equipment; fire extinguishing apparatus; floor coverings; and appliances for refrigerating, cooking, dish washing, and laundering;
- e. if not covered by other insurance, buildings and additions to buildings under construction, alteration, and repair including:
 - 1) materials, equipment, supplies, and temporary structures, on or within 1,000 feet of a "covered location", intended and designated for use in the construction, alteration, and repair of buildings or additions to buildings; and
 - 2) "your" contractual liability for the interest of contractors and sub-contractors in buildings and additions to buildings under construction, alteration, and repair such as materials, equipment, supplies, and temporary structures, on or within 1,000 feet of a "covered location", intended and designated for use in the construction, alteration, and repair of buildings or additions to buildings;
- f. building glass;
- g. the following property if it is located on or within 1,000 feet of a covered building or structure:
 - 1) radio and television towers, antennas, satellite dishes, masts, lead-in wiring, and guy wires. This includes foundations and any other property that is permanently attached to any of these types of property;

- 2) awnings or canopies; and
- 3) fences;
- h. signs, whether or not they are attached to covered buildings, or structures; or
- i. foundations of buildings, structures, machinery, or boilers.

2. Building Property That Is Not Covered --

Except as provided under Supplemental Coverages - Underground Pipes, Pilings, Bridges and Roadways, Covered Building Property does not include:

- a. pilings, piers, wharves, docks, or retaining walls;
- b. underground pipes, flues, or drains; and
- c. bridges, walkways, roadways, and other paved surfaces.

BUSINESS PERSONAL PROPERTY

1. Covered Business Personal Property --

Covered business personal property means "your" business personal property in buildings or structures at a "covered location" or in the open (or in vehicles) on or within 1,000 feet of a "covered location". This includes:

- a. "your" use interest as a tenant in improvements to the buildings or structures. Improvements are fixtures, alterations, installations, or additions:
 - 1) to a building or structure "you" occupy but do not own; and
 - 2) made or acquired at "your" expense and which cannot be legally removed by "you".

"We" also cover "your" interest as a tenant in undamaged improvements that "you" lose because "your" lease has been canceled by the lessor as a result of damage to the building or structure "you" occupy but do not own. The damage to the building must be caused by a covered peril;

- b. leased personal property which "you" have a contractual responsibility to insure;
- c. "your" interest in personal property of others to the extent of "your" labor, material, and services;
- d. "computers", if not covered by other insurance;
- e. personal property which will become a part of "your" installation, fabrication, or erection project while:
 - 1) at the site of installation, fabrication, or erection; or
 - 2) while in temporary storage awaiting installation, fabrication, or erection.

Coverage under this provision is not restricted to buildings or structures at a "covered location" or within 1,000 feet of a "covered location";

- f. "mobile equipment", if not covered by other insurance. Coverage under this provision is not restricted to buildings or structures at a "covered location" or within 1,000 feet of a "covered location"; and
- g. personal property of others. This means personal property of others that is in "your" care, custody, or control.

Personal property of others includes property that is sold under an installation agreement where "your" responsibility continues until the property is accepted by the buyer.

"Our" payment for loss to personal property of others will only be for the benefit of the owners of the personal property.

2. Business Personal Property That Is Not Covered --

Covered business personal property does not include:

- a. "off-site server"; and

- b. except as provided under Supplemental Marine Coverages;
 - 1) personal property in transit as described under Property In Transit;
 - 2) "fine arts" as described under Fine Arts;
 - 3) "computers" while away from a "covered location" as described under Off Premises Computers;
 - 4) property while temporarily on display or exhibit as described under Property On Exhibition;
 - 5) samples of "your" stock as described under Sales Representative Samples; and
 - 6) duplicate or back-up "software" as described under Software Storage.
-

PROPERTY NOT COVERED

- 1. **Airborne or Waterborne Property** -- "We" do not cover airborne or waterborne personal property unless the property is being transported by regularly scheduled airlines or ferry service.
- 2. **Aircraft or Watercraft** -- "We" do not cover aircraft or watercraft (and their motors, equipment, and accessories) that are operated principally away from a "covered location". However, "we" do cover:
 - a. aircraft or watercraft (and their motors, equipment, and accessories) that "you" manufacture, process, warehouse, or hold for sale; and
 - b. rowboats or canoes out of water at a "covered location".
- 3. **Animals** -- "We" do not cover animals, including but not limited to birds and fish, unless owned by others and boarded by "you". "We" do cover animals "you" own and hold for sale while inside of buildings.

- 4. **Automobiles and Vehicles** -- "We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed and used for over-the-road transportation of people or cargo.

"We" do cover:

- a. "mobile equipment" described under Business Personal Property; and
 - b. automobiles and vehicles that "you" manufacture, process, or warehouse. However, "we" do not cover automobiles or vehicles held for sale, lease, loan or rental.
- 5. **Checked Luggage** -- "We" do not cover loss resulting from "theft" or disappearance of a laptop, palmtop, notebook PC, or any portable "computer" while in transit as checked luggage.
 - 6. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
 - 7. **Cost of Excavation** -- "We" do not cover the cost of excavations, grading, filling, or backfilling. However, if a covered loss occurs to covered property below the surface of the ground, "we" cover costs that are a necessary part of the repairing, rebuilding, or replacement of the property.
 - 8. **Crops While Outside of Buildings** -- "We" do not cover grain, hay, straw, or other crops while outside of buildings.
 - 9. **Exports and Imports** -- "We" do not cover exported or imported property that is covered under any ocean marine cargo insurance policy or any similar policy that anyone has obtained covering exports and imports.
 - 10. **Land, Water, and Growing Crops** -- "We" do not cover:
 - a. land, including but not limited to land on which the covered property is located;

- b. underground or surface water; or
- c. growing crops.

11. **Money, Securities, Accounts, and Valuable Papers** -- Except as provided elsewhere in this policy, "we" do not cover "money", "securities", accounts, bills, and the cost to reproduce, replace, or restore "valuable papers" and lost information.
12. **Outdoor Trees, Shrubs, Plants, or Lawns** -
- Except as provided under Supplemental Coverages - Trees, Shrubs, and Plants, "we" do not cover trees, shrubs, plants, or lawns (other than stock).
13. **Property More Specifically Insured** -- "We" do not cover property which is more specifically insured in whole or in part by any other insurance. "We" do cover the amount in excess of the amount due from the more specific insurance whether "you" can collect on it or not.
14. **Property of Others** -- "We" do not cover property of others for which "you" are responsible as:
 - a. a carrier for hire; or
 - b. an arranger of transportation. This includes carloaders, consolidators, brokers, freight forwarders, or shipping associations.
15. **Property You Have Sold** -- "We" do not cover property that "you" have sold after it has been delivered. This does not include property which "you" have sold under an installation agreement.

COVERAGE EXTENSIONS

The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown in the "schedule of coverages". If a different "limit" is indicated in the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage including a Coverage Extension or Supplemental Coverage that is added to this policy by endorsement.

The following coverage extensions are not subject to and not considered in applying coinsurance when coinsurance conditions are added to this coverage.

1. **Consequential Loss** -- "We" pay for "your" consequential loss of undamaged business personal property. Consequential loss means the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss to another part or parts of the product caused by a covered peril.
2. **Debris Removal** -- "We" pay the cost to remove the debris of covered property that is caused by a covered peril. This coverage does not include costs to:
 - a. extract "pollutants" from land or water; or
 - b. remove, restore, or replace polluted land or water."We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.

However, "we" pay up to an additional \$50,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.

"We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

3. **Emergency Removal** -- "We" pay for any direct physical loss to covered property while it is being moved or being stored to prevent a loss caused by a covered peril. This coverage applies for up to 365 days after the property is first moved, but does not extend past the date on which this policy expires.
4. **Emergency Removal Expenses** -- "We" pay up to \$5,000 for "your" expenses to move or store covered property to prevent a loss caused by a covered peril. This coverage applies for up to 365 days after the property is first moved, but does not extend past the date on which this policy expires.

The "limit" for Emergency Removal Expenses is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

5. **Fraud and Deceit** -- "We" pay up to \$5,000 for "theft" of covered property when "you", "your" agents, customers, or consignees are fraudulently induced to part with the covered property:
 - a. to persons who falsely represent themselves as the proper persons to receive the property; or
 - b. by the acceptance of fraudulent bills of lading or shipping receipts.

6. **Damage From Theft** -- "We" cover direct physical damage caused by "theft" or attempted "theft" to:
 - a. a building that "you" do not own and that contains "your" business personal property; or
 - b. personal property not owned by "you" within such building and that is used to maintain or service the building or structure or its premises.

This coverage extension only applies to a location where "you" are a tenant and the terms of "your" lease make "you" liable for damage caused by "theft" or attempted "theft".

7. **Off Premises Utility Service Interruption**
 - a. **Coverage** -- "We" cover direct physical loss or damage caused by the interruption of an off premises utility service when the interruption:
 - 1) results in the direct physical loss or damage to covered property located at a "covered location"; and
 - 2) is a result of direct physical loss or damage by a covered peril to property that is not located at a "covered location" and that is owned by a utility, a landlord, or another supplier who provides "you" with:
 - a) power or gas;
 - b) telecommunications, including but not limited to Internet access; or
 - c) water, including but not limited to waste water treatment.

- b. **Overhead Transmission Lines** -- If the "schedule of coverages" indicates that overhead transmission lines are excluded, coverage under this extension does not include loss to overhead transmission lines that deliver utility service to "you". Overhead transmission lines include, but are not limited to:
- 1) overhead transmission and distribution lines;
 - 2) overhead transformers and similar equipment; and
 - 3) supporting poles and towers.
- c. **Perishable Stock Exclusion** -- Coverage under this extension does not include loss of "perishable stock" due to "spoilage" that results from:
- 1) complete or partial lack of electrical power; or
 - 2) fluctuation of electrical current.
- d. **Applicable Limit** -- The most "we" pay in any one occurrence under this Coverage Extension is \$50,000.

SUPPLEMENTAL COVERAGES

The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown in the "schedule of coverages". If a different "limit" is indicated in the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered. The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension including a Supplemental Coverage or Coverage Extension that is added to this policy by endorsement.

Unless otherwise stated, each supplemental coverage:

- a. applies to covered property in or on buildings or structures at a "covered location" or in the open (or in vehicles) within 1,000 feet of a "covered location"; and
 - b. is not subject to and not considered in applying coinsurance when coinsurance conditions are added to this coverage.
1. **Brands or Labels Expense** -- If covered business personal property is damaged and the damage is caused by a covered peril, "we" have the option to take all or any part of the damaged business personal property at the agreed or appraised value. "You" may stamp salvage or remove any brands or labels from the property or its containers. "You" must not damage the property or containers when "you" remove the brands or labels. "You" must re-label the merchandise or its containers if required by law.

The most "we" pay in any one occurrence for "your" expenses for stamping or removing brands or labels is \$50,000.

2. **Expediting Expenses** -- When a covered peril occurs to covered property, "we" pay for reasonable expenses necessary to expedite permanent repairs or replacement and make temporary repairs to damaged covered property. Expediting expenses include additional labor or overtime, and transportation costs.

The most "we" pay for all expediting expenses in any one occurrence is \$50,000.

3. **Fire Department Service Charges** -- "We" pay up to \$25,000 to cover "your" liability, assumed by contract or agreement prior to the loss, for fire department service charges.

This coverage is limited to charges incurred when the fire department is called to save or protect covered property from a covered peril.

No deductible applies.

4. **Inventory and Appraisal Expense** -- "We" pay up to \$50,000 for reasonable expenses, for the taking of inventory and appraisals, incurred by "you" at "our" request to assist "us" in the determination of the amount of a loss caused by a covered peril.

"We" do not pay for:

- a. any expenses incurred under the Other Conditions, Appraisal section of this coverage; or
- b. any public adjusters' fees or attorneys' fees.

5. **Ordinance or Law (Undamaged Parts of a Building)** -- When a covered peril occurs to a covered building or structure, "we" pay for the value of undamaged parts of a covered building or structure that is required to be demolished as a result of the enforcement of any ordinance, law, or decree that:
- a. requires the demolition of undamaged parts of a covered building or structure that is damaged or destroyed by a covered peril;

- b. regulates the construction or repair of a building or structure, or establishes building, zoning, or land use requirements at a "covered location"; and
- c. is in force at the time of loss.

"We" do not cover the costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants".

This coverage is part of and not in addition to the applicable "limit" for coverage described under Property Covered.

6. **Ordinance or Law (Increased Cost to Repair and Cost to Demolish and Clear Site)** --

- a. **Increased Cost to Repair** -- When a covered peril occurs to a covered building or structure, "we" cover the:
 - 1) increased cost to repair, rebuild, or reconstruct damaged portions of a covered building or structure; and
 - 2) increased cost to repair, rebuild, or reconstruct undamaged portions of a covered building or structure whether or not those undamaged portions need to be demolished;

as a result of the enforcement of building, zoning, or land use ordinance, law, or decree and is in force at the time when a covered peril occurs to a covered building or structure.

If a covered building or structure is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by building, zoning, or land use ordinance, law, or decree.

"We" do not cover the increased cost of construction until the covered building or structure is actually repaired or replaced and unless the repairs or replacement are made as soon as reasonably possible after the loss, not to exceed two years.

b. **Cost to Demolish and Clear Site --**

"We" cover the cost to demolish and clear the site of undamaged parts of the covered building or structure that is damaged or destroyed by a covered peril. The demolition must be a result of the enforcement of a building, zoning, or land use ordinance, law, or decree that is in force at the time when a covered peril occurs to a covered building or structure.

c. **We Do Not Cover --** "We" do not cover the costs associated with the enforcement of any ordinance, law, or decree that:

- 1) requires "you" or anyone else to 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) "you" were required to comply with before the covered peril occurred to a covered building or structure, even if the building or structure was undamaged and "you" failed to comply with the ordinance, law, or decree.

d. **What We Pay If The Building Is Repaired or Replaced --** If the covered building or structure is repaired or replaced, "we" pay the lesser of:

- 1) the amount "you" actually spend to demolish and clear the site, plus the actual increased cost to repair, rebuild, or construct the property but not for more than a building or structure of the same height, floor area, and style; or
- 2) \$100,000.

e. **What We Pay If The Building Is Not Repaired or Replaced --** If the covered building or structure is not repaired or replaced, "we" pay the lesser of:

- 1) the amount "you" actually spend to demolish and clear the site; plus the cost "you" would have incurred to replace the damaged or destroyed property with other property:
 - a) of like kind, and quality;
 - b) of the same height, floor area, and style; and
 - c) used for the same purpose; or
- 2) \$100,000.

7. **Personal Effects --** "We" cover direct physical loss caused by a covered peril to personal effects owned by "you", "your" officers, "your" partners, or "your" employees.

The most "we" pay for loss to personal effects in any one occurrence or at any one "covered location" is \$15,000.

8. **Pollutant Cleanup and Removal --** "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period. The expenses are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.

"We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants". However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.

The most "we" pay for each site or "covered location" is \$50,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12 month period of this policy.

9. **Recharge of Fire Extinguishing**

Equipment -- "We" pay up to \$50,000 to cover "your" incurred expenses to recharge "your" automatic fire extinguishing equipment or hand held fire extinguishing equipment when the equipment is discharged:

- a. to fight a fire;
- b. as a result of a covered peril; or
- c. as a result of an accidental discharge.

However, "we" do not pay for "your" expenses to recharge equipment as a result of a discharge during testing or installation.

If it is less expensive to do so, "we" will pay "your" costs to replace "your" automatic fire extinguishing equipment or hand held fire extinguishing equipment rather than recharge the equipment.

10. **Rewards** -- "We" pay up to \$10,000 as a reward for information that leads to a conviction for arson, "theft", or vandalism. The conviction must involve a covered loss caused by arson, "theft", or vandalism.

The amount "we" pay is not increased by the number of persons involved in providing the information.

11. **Sewer Backup and Water Below the**

Surface -- "We" cover direct physical loss caused by:

- a. water that backs up through a sewer or drain; or
- b. water below the surface of the ground, including but not limited to water that exerts pressure on or flows, seeps, or leaks through or into a covered building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

The most "we" pay for loss caused by sewer backup and water below the surface in any one occurrence is \$25,000.

12. **Trees, Shrubs, and Plants** -- "We" cover direct physical loss (and debris removal expenses) to outdoor trees, shrubs, plants, and lawns at a "covered location". "We" only cover loss caused by:

- a. fire;
- b. lightning;
- c. explosion;
- d. riot or civil commotion;
- e. falling objects; or
- f. vandalism.

The most "we" pay for loss to trees, shrubs, and plants in any one occurrence is \$50,000.

Coverage under this supplemental coverage does not apply to property held for sale by "you".

13. **Underground Pipes, Pilings, Bridges, and Roadways** -- "We" cover direct physical loss caused by a covered peril to:

- a. pilings, piers, wharves, docks, or retaining walls;
- b. underground pipes, flues, or drains; and
- c. bridges, walkways, roadways, and other paved surfaces.

The most "we" pay under this Supplemental Coverage in any one occurrence or at any one "covered location" is \$250,000.

SUPPLEMENTAL MARINE COVERAGES

The following Supplemental Marine Coverages indicate an applicable "limit". This "limit" may also be shown in the "schedule of coverages". If a different "limit" is indicated in the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Marine Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Marine Coverage provided below is separate from, and not part of the applicable "limit" for coverage described under Property Covered. The "limit" available for coverage described under a Supplemental Marine Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Marine Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Marine Coverage cannot be combined or added to the "limit" for any other Supplemental Marine Coverage, Supplemental Coverage, or Coverage Extension including a Supplemental Marine Coverage, Supplemental Coverage, or Coverage Extension that is added to this policy by endorsement.

The following supplemental marine coverages are not subject to and not considered in applying coinsurance when coinsurance conditions are added to this coverage.

1. **Accounts Receivable** -- "We" pay up to \$50,000 to cover losses and expenses that "you" incur as a result of a direct physical loss caused by a covered peril to "your" records of accounts receivable.

Losses and expenses under this coverage means:

- a. all sums due "you" from customers, provided "you" are unable to effect collection;
- b. interest charges on any loan used to offset impaired collections pending "our" payment of such sums;
- c. collection expenses in excess of normal collection costs made necessary because of loss or damage; and
- d. other reasonable expenses incurred by "you" in recreating records of accounts receivable following such loss or damage.

2. **Electrical or Magnetic Disturbance of Computers** -- "We" cover direct physical loss to "computers" caused by electrical or magnetic disturbance that results in electrical or magnetic damage to "computers" and damage to, disturbance of, or erasure of electronic records.

This coverage is part of and not in addition to the applicable "limit" for coverage described under Property Covered.

3. **Power Supply Disturbance of Computers** -
- "We" cover direct physical loss to "computers" caused by power supply disturbance such as interruption of power supply, power surge, blackout, or brownout.

This coverage is part of and not in addition to the applicable "limit" for coverage described under Property Covered.

4. **Virus and Hacking Coverage** -- "We" cover direct physical loss to covered "computers", "your" "computer" network and "your" Web site caused by a "computer virus" or by "computer hacking". However, "we" do not cover:
- loss of exclusive use of any "data records" or "proprietary programs" that have been copied, scanned, or altered;
 - loss of or reduction in economic or market value of any "data records" or "proprietary programs" that have been copied, scanned, or altered;
 - theft from "your" "data records" or "proprietary programs" of confidential information through the observation of the "data records" or "proprietary programs" by accessing covered "computers", "your" computer network, or "your" Web site without any alteration or other physical loss or damage to the records or programs.

Confidential information includes, but is not limited to, customer information, processing methods, or trade secrets; and

- except as provided under the Supplemental Income Coverages section of the Commercial Output Program - Income Coverage Part (if attached to this policy), denial of access to or services from "computers", "your" "computer" network, or "your" Web site.

The most "we" pay in any one occurrence under this Supplemental Marine Coverage is \$25,000.

The most "we" pay for all covered losses under this Supplemental Marine Coverage during each separate 12-month period of this policy is \$50,000.

5. **Fine Arts** -- "We" cover direct physical loss caused by a covered peril to "your" "fine arts" at a "covered location". "We" also cover "your" "fine arts" while:
- temporarily on display or exhibit away from a "covered location"; or
 - in transit between a "covered location" and a location where the "fine arts" will be temporarily on display or exhibit.

The most "we" pay for loss to "fine arts" in any one occurrence or at any one "covered location" is \$100,000.

6. **Off Premises Computers** -- "We" cover direct physical loss caused by a covered peril to "computers" in the custody of "you", "your" officers, "your" partners, or "your" employees, while:
- away from a "covered location"; or
 - in transit between a "covered location" and "you", "your" officers, "your" partners, or "your" employees.

The most "we" pay in any one occurrence for loss to off premises "computers" is \$25,000.

7. **Property on Exhibition** -- "We" cover direct physical loss caused by a covered peril to business personal property while temporarily on display or exhibit at locations "you" do not regularly occupy.

The most "we" pay in any one occurrence for loss to property on exhibition is \$50,000.

8. **Property in Transit** -- "We" cover direct physical loss caused by a covered peril to business personal property while in transit, regardless if the loss involves one or more vehicles, conveyances, containers, trailers, or any combination of these.

- a. **Property You Have Sold** -- "We" also cover direct physical loss caused by a covered peril to business personal property that "you" have sold and are shipping at the owner's risk. "We" only pay for loss to business personal property that "you" have sold when the shipment has been rejected by the owner because:
 - 1) the property is damaged; and
 - 2) the owner of the property has refused to pay "you".
- b. **Rejected Shipments** -- "We" also cover direct physical loss caused by a covered peril to rejected shipments while in due course of transit back to "you" or while awaiting return shipment to "you".
- c. **Bills of Lading** -- "You" may accept bills of lading or shipping receipts issued by carriers for hire that limit their liability to less than the actual cash value of the covered property.
- d. **Perishable Stock** -- "We" do not cover loss to "perishable stock" resulting from a breakdown of refrigeration equipment on any vehicle, conveyance, container, or trailer.

The most "we" pay in any one occurrence for loss to property in transit is \$50,000.

9. **Sales Representative Samples** -- "We" cover direct physical loss caused by a covered peril to samples of "your" stock in trade (and containers) and similar property of others.

"We" cover samples of "your" stock in trade while the property is:

- a. in the custody of "your" sales representatives and agents;
- b. in "your" custody while acting as a sales representative; or

- c. in transit between a "covered location" and "your" sales representatives.
The most "we" pay in any one occurrence for loss to samples of "your" stock in trade is \$50,000.

10. **Software Storage** -- "We" cover direct physical loss caused by a covered peril to duplicate and back-up "software" stored at a "software" storage location. Each "software" storage location must be in a separate building which is at least 100 feet away from a "covered location".

The most "we" pay in any one occurrence for loss to duplicate and back-up "software" is \$50,000.

11. **Valuable Papers** -- "We" pay up to \$100,000 for the cost of research or other expenses necessary to reproduce, replace, or restore lost information that results from a direct physical loss caused by a covered peril to "your" "valuable papers".

PERILS COVERED

"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

- a. **Ordinance or Law** -- Except as provided under Supplemental Coverages - Ordinance or Law, "we" do not pay for loss or increased cost caused by enforcement of any code, ordinance, or law regulating the use, construction, or repair of any building or structure; or requiring the demolition of any building or structure including the cost of removing its debris.

"We" do not pay for loss regardless if the loss is caused by or results from the:

- 1) enforcement of any code, ordinance, or law even if a building or structure has not been damaged; or
- 2) increased costs that "you" incur because of "your" compliance with a code, ordinance, or law during the construction, repair, rehabilitation, remodeling, or razing of a building or structure, including the removal of debris, following a direct physical loss to the property.

- b. **Earth Movement** -- "We" do not pay for loss caused by any earth movement (other than "sinkhole collapse") or caused by eruption, explosion, or effusion of a volcano. Earth movement includes, but is not limited to: earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting of earth.

"We" do cover direct loss by fire, explosion, or "volcanic action" resulting from either earth movement or eruption, explosion, or effusion of a volcano.

This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

- c. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- d. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- e. **War and Military Action** -- "We" do not pay for loss caused by:
- 1) war, including undeclared war or civil war; or
 - 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
 - 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

- f. **Flood** -- "We" do not pay for loss caused by "flood". However, "we" do cover the resulting loss if fire, explosion, or sprinkler leakage results.
This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

- g. **Utility Failure** -- Except as provided under Coverage Extensions - Off Premises Utility Service Interruption, "we" do not pay for loss caused by or resulting from the failure of a utility to supply electrical power or other utility service to a "covered location", however caused, if the failure takes place away from the "covered location".

But if failure of a utility to supply electrical or other utility service to a "covered location" results in a covered peril, "we" cover the loss or damage caused by that covered peril.

This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

- h. **Sewer Backup and Water Below the Surface** -- Except as provided under Supplemental Coverages - Sewer Backup and Water Below the Surface, "we" do not pay for loss caused by or resulting from:
- 1) water that backs up through a sewer or drain; or
 - 2) water below the surface of the ground, including but not limited to water that exerts pressure on or flows, seeps, or leaks through or into a covered building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.
- But if sewer backup and water below the surface results in fire, explosion, or sprinkler leakage, "we" cover the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following excluded causes or events:

- a. **Animal Nesting, Infestation, or Discharge** -- "We" do not pay for loss caused by nesting, infestation, discharge, or release of waste products or secretions by animals, including but not limited to, birds, insects, or vermin.

But if nesting, infestation, discharge, or release of waste products or secretions by animals results in a "specified peril" or breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or breakage of building glass.

- b. **Collapse** -- "We" do not pay for loss caused by collapse, except as provided under the Other Coverages, Collapse. But if collapse results in a covered peril, "we" cover the loss or damage caused by that covered peril.

This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

- c. **Computer Virus or Computer Hacking** -- Except as provided under Supplemental Marine Coverages - Virus and Hacking Coverage, "we" do not pay for:
- 1) any direct or indirect loss or damage; or
 - 2) loss of access, loss of use, or loss of functionality

caused by a "computer virus" or by "computer hacking".

- d. **Contamination or Deterioration** -- "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in covered property that causes it to damage or destroy itself.

But if contamination or deterioration results in a "specified peril" or breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or breakage of building glass.

This exclusion does not apply to loss caused by corrosion, decay, fungus, mildew, mold, rot, or rust to "computers" that results from direct physical damage by a covered peril to the air conditioning system that services "your" "computers".

- e. **Criminal, Fraudulent, Dishonest, or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:
- 1) "you";
 - 2) others who have an interest in the property;
 - 3) others to whom "you" entrust the property;
 - 4) "your" partners, officers, directors, trustees, joint adventurers; or
 - 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for "theft" by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- f. **Defects, Errors, and Omissions** -- "We" do not pay for loss which results from one or more of the following:

- 1) an act, error, or omission (negligent or not) relating to:
 - a) land use;
 - b) the design, specification, construction, workmanship, installation, or maintenance of property;
 - c) planning, zoning, development, siting, surveying, grading, or compaction; or
 - d) maintenance of property (such as land, structures, or improvements);

whether on or off a "covered location";

- 2) a defect, weakness, inadequacy, fault, or unsoundness in materials used in construction or repair, whether on or off a "covered location";
- 3) the cost to make good an error in design; or
- 4) a data processing error or omission in programming or giving improper instructions.

In addition, "we" do not pay for loss to business personal property caused by deficiencies or defects in design, specifications, materials, or workmanship, or caused by latent or inherent defects.

But if a defect, error, or omission as described above results in a covered peril, "we" cover the loss or damage caused by that covered peril.

- g. **Electrical Currents** -- "We" do not pay for loss caused by arcing or by electrical currents other than lightning. But if arcing or electrical currents other than lightning result in fire, "we" cover the loss or damage caused by that fire.

"We" do cover the direct loss by a covered peril which occurs at "covered locations" as a result of any power interruption or other utility services.

This exclusion does not apply to "computers".

- h. **Steam Boiler Explosion** -- "We" do not pay for loss caused by an explosion of steam boilers, steam pipes, steam turbines, or steam engines that "you" own or lease or that are operated under "your" control.

But if an explosion of steam boilers, steam pipes, steam turbines, or steam engines results in a fire or combustion explosion, "we" cover the loss or damage caused by that fire or combustion explosion. "We" also cover loss or damage caused by or resulting from the explosion of gas or fuel in a firebox, combustion chamber, or flue.

- i. **Increased Hazard** -- "We" do not pay for loss occurring while the hazard has been materially increased by any means within "your" knowledge or "your" control.
- j. **Loss of Use** -- "We" do not pay for loss caused by loss of use, delay, or loss of market.
- k. **Mechanical Breakdown** -- "We" do not pay for loss caused by mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force.

But if a mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force results in a "specified peril", the breakage of building glass, or an elevator collision, "we" cover the loss or damage caused by that "specified peril", breakage of building glass, or elevator collision.

This exclusion does not apply to "computers".

- l. **Neglect** -- "We" do not pay for loss caused by "your" neglect to use all reasonable means to save covered property at and after the time of loss.

"We" do not pay for loss caused by "your" neglect to use all reasonable means to save and preserve covered property when endangered by a covered peril.

- m. **Pollutants** -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":
- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril" or
 - 2) except as specifically provided under the Supplemental Coverages, Pollutant Cleanup and Removal.

"We" do pay for any resulting loss caused by a "specified peril".

- n. **Seepage** -- "We" do not pay for loss caused by continuous or repeated seepage or leakage of water or steam that occurs over a period of 14 days or more.

- o. **Settling, Cracking, Shrinking, Bulging, or Expanding** -- "We" do not pay for loss caused by settling, cracking, shrinking, bulging, or expanding of pavements, footings, foundations, walls, ceilings, or roofs. But if settling, cracking, shrinking, bulging, or expanding results in a "specified peril" or the breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or the breakage of building glass.

This exclusion does not apply to "computers" and "mobile equipment".

- p. **Smoke, Vapor, or Gas** -- "We" do not pay for loss caused by smoke, vapor, or gas from agricultural smudging or industrial operations.

This exclusion does not apply to "computers" and "mobile equipment".

- q. **Smog** -- "We" do not pay for loss caused by smog. But if smog results in a "specified peril" or the breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or the breakage of building glass.

This exclusion does not apply to "computers" and "mobile equipment".

- r. **Temperature/Humidity** -- "We" do not pay for loss to:
- 1) personal property, except as provided under Coverage Extensions - Off Premises Utility Service Interruption; or
 - 2) "perishable stock";
- caused by dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature, as described above, results in a "specified peril" or the breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or the breakage of building glass.

"We" do pay for loss to "computers" that results from direct physical damage by a covered peril to the air conditioning system that services "your" "computers".

- s. **Wear and Tear** -- "We" do not pay for loss caused by wear and tear, marring, or scratching.

But if wear and tear, marring, or scratching results in a "specified peril" or the breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or the breakage of building glass.

- t. **Weather** -- "We" do not pay for loss caused by weather conditions if the weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.

But if weather conditions result in a covered peril, "we" cover the loss or damage caused by that covered peril.

- u. **Voluntary Parting** -- Except as provided under Coverage Extensions - Fraud and Deceit, "we" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.
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ADDITIONAL PROPERTY NOT COVERED OR SUBJECT TO LIMITATIONS

1. **Accounts Receivable** -- "We" do not cover loss to accounts receivables that is a result of:
- a. an error or omission in bookkeeping, accounting, or billing; or

- b. "your" discovery of a discrepancy in "your" books or records if an audit or inventory computation is necessary to prove the factual existence of the discrepancy.
2. **Animals** -- "We" do not cover loss to animals, including but not limited to birds and fish, except death or destruction of animals held for sale caused by "specified perils" or breakage of building glass.
3. **Boilers** -- "We" do not cover loss to steam boilers, steam pipes, steam turbines, or steam engines caused by any condition or occurrence within such equipment. "We" do cover loss to such equipment caused by the explosion of gas or fuel in a firebox, combustion chamber, or flue.
- "We" do not cover loss to hot water boilers or heaters caused by any condition or occurrence within such equipment other than explosion. This exclusion includes bursting, cracking, or rupturing.
4. **Contamination of Perishable Stock Due to Release of Refrigerant** -- "We" do not pay for loss of "perishable stock" due to contamination from the release of a refrigerant, including but not limited to ammonia.
5. **Furs** -- "We" do not cover furs or fur garments for loss by "theft" for more than \$10,000 total in any one occurrence.
6. **Glassware/Fragile Articles** -- "We" do not cover breakage of fragile articles such as glassware and porcelains, except as a result of "specified perils" or breakage of building glass.
- This exclusion does not apply to:
- glass that is a part of a building or structure;
 - bottles or other containers held for sale;
 - lenses of photographic and scientific instruments; or
- d. "fine arts" as described under Supplemental Marine Coverages.
7. **Jewelry, Watches, and Precious Stones** -- "We" do not cover more than \$10,000 total in any one occurrence for loss by "theft" of jewelry, watches, and precious stones, including but not limited to watch movements, jewels, pearls, and semi-precious stones. This limitation does not apply to items of jewelry, watches, or precious stones worth \$100 or less.
8. **Missing Property** -- "We" do not cover missing property when the only proof of loss is unexplained or mysterious disappearance, or shortage discovered on taking inventory, or other instance where there is no physical evidence to show what happened to the property.
- This exclusion does not apply to property in the custody of carriers for hire.
9. **Personal Property in the Open** -- "We" do not cover loss to personal property in the open caused by rain, snow, ice, or sleet.
- This exclusion does not apply to "mobile equipment" or to property in the custody of carriers for hire.
10. **Stamps, Tickets, and/or Letters of Credit** -- "We" do not cover more than \$5,000 total in any one occurrence for loss by "theft" to stamps, tickets (such as lottery tickets held for sale), or letters of credit.
11. **Unauthorized or Fraudulent Transfer** -- Except as provided under Coverage Extensions - Fraud and Deceit, "we" do not cover loss of, or loss caused by the transfer or delivery of covered property from a "covered location" or "your" "computer" to a person or place outside of a "covered location" on the basis of unauthorized or fraudulent instructions, including but not limited to instructions transmitted:
- by a computer, whether or not owned by "you", or

- b. via any telecommunications transmission method.

12. **Valuable Papers** -- "We" do not cover loss to "valuable papers" caused by errors or omissions in processing or copying.

OTHER COVERAGES

- 1. **Collapse** -- "We" pay for loss caused by direct physical loss involving collapse as described in a., b., and c. below.
 - a. Collapse of a building or structure, any part of a building or structure, or personal property inside a building or structure, if the collapse is caused by one or more of the following:
 - 1) "specified perils" or breakage of building glass all only as insured against in this Coverage Part;
 - 2) hidden decay, unless "you" know of the presence of the decay prior to the collapse;
 - 3) hidden insect or vermin damage, unless "you" know of the damage prior to the collapse;
 - 4) weight of people or personal property;
 - 5) weight of rain that collects on a roof; or
 - 6) use of defective material or methods in construction, remodeling, or renovation if the collapse occurs during the course of the construction, remodeling, or renovation.

However, if the collapse occurs after construction, remodeling, or renovation is complete and is caused in part by a peril listed in 1) through 5) above, "we" will pay for the loss or damage even if the use of defective material or methods in construction, remodeling, or renovation, contributes to the collapse.

- b. The following property is covered for loss involving collapse only if the collapse is of a building or structure or any part of a building or structure and is caused by one or more of the causes listed above in 1.a. or collapse caused by "specified perils" or breakage of building glass all only as insured against in this Coverage Part:
 - 1) outdoor radio or television antennas (and satellite dishes) and their lead-in wiring, masts, or towers;
 - 2) awnings, gutters, and down spouts;
 - 3) yard fixtures;
 - 4) outdoor swimming pools;
 - 5) fences;
 - 6) bulkheads, piers, wharves, and docks;
 - 7) beach or diving platforms or appurtenances;
 - 8) retaining walls that are not part of buildings; and
 - 9) bridges, walkways, roadways, and other paved surfaces.
- c. Collapse means a sudden and unexpected falling in or caving in of a building or structure or any portion of a building or structure with the result that the building or portion of the building cannot be occupied for its intended purpose.
- d. The following are not considered to be in a state of collapse:
 - 1) a building or structure that is standing or any portion of a building that is standing even if it displays evidence of bending, bulging, cracking, expansion, leaning, sagging, settling, or shrinkage;
 - 2) a building or structure or any portion of a building structure in danger of falling in or caving; and
 - 3) a portion of a building or structure that is standing even if it has separated from another portion of the building or structure.

2. **Tearing Out and Replacing** -- When "we" cover buildings or structures and a loss caused by water, other liquids, powder, or molten material is covered, "we" also pay the cost of tearing out and replacing any part of the covered building or structure to repair damage to the system or appliance from which the water or other substance escapes.

"We" also pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage results in discharge of any substance from an automatic fire protection system; or is directly caused by freezing.

WHAT MUST BE DONE IN CASE OF LOSS

1. **Notice** -- In case of a loss, "you" must:
- give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice);
 - give notice to the police when the act that causes the loss is a crime; and
 - give notice to the credit card company if the loss involves a credit card.
2. **Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss. "We" will pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. However "we" will not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against. This does not increase "our" "limit".

3. **Proof of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
- the time, place, and circumstances of the loss;
 - other policies of insurance that may cover the loss;
 - "your" interest and the interests of all others in the property involved, including all mortgages and liens;
 - changes in title or occupancy of the covered property during the policy period;
 - detailed estimates for repair or replacement of covered property; and
 - an inventory of damaged and undamaged covered property showing in detail the quantity, description, cost, actual cash value, and amount of the loss. "You" must attach to the inventory copies of all bills, receipts, and related documents that substantiate the inventory.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.

7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
 8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
 9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by the Commercial Output Program coverages.
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VALUATION

1. **Replacement Cost** -- The value of covered property will be based on replacement cost without any deduction for depreciation unless Actual Cash Value is indicated on the "schedule of coverages".

The replacement cost is limited to the cost of repair or replacement with similar materials on the same site and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.

Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced. "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.

This replacement cost provision does not apply to paragraphs 3. through 13. below.

2. **Actual Cash Value** -- When Actual Cash Value is indicated on the "schedule of coverages" for covered property, the value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation) except as provided in paragraphs 3. through 13. below.

3. **Fine Arts** -- The value of "fine arts" will be based on the fair market value at the time of loss.
4. **Glass** -- The value of glass will be based on the cost of safety glazing material where required by code, ordinance, or law.
5. **Hardware** -- The following is the value of "hardware":
 - a. **Hardware That Is Replaced** -- The value of "hardware" that is replaced will be based on the cost of replacing the "hardware" with new equipment that is functionally comparable to the "hardware" that is being replaced.
 - b. **Hardware That Is Not Replaced** -- The value of "hardware" that is not repaired or replaced will be based on the actual cash value at the time of loss (with a deduction for depreciation).
 - c. **Partial Loss** -- In no event will "we" pay more than the reasonable cost of restoring partially damaged "hardware" to its condition directly prior to the damage.
6. **Software** -- The following is the value of "software":
 - a. **Programs and Applications** -- The value of "programs and applications" will be based on the cost to reinstall the "programs or applications" from the licensed discs that were originally used to install the programs or applications.

If the original licensed discs are lost, damaged, or can no longer be obtained, the value of "programs and applications" will be based on the cost of the most current version of the "programs or applications".

- b. **Proprietary Programs** -- The value of "proprietary programs" will be based on the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.
- If duplicate copies do not exist, the value of "proprietary programs" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost "proprietary programs".
- c. **Data Records** -- The value of "data records" will be based on the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.
- If duplicate copies do not exist, the value of "data records" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost files, documents, and records.
- d. **Media** -- The value of "media" will be based on the cost to repair or replace the "media" with material of the same kind or quality.
7. **Merchandise Sold** -- The value of merchandise that "you" have sold but not delivered will be based on the selling price less all discounts and unincurred expenses.
8. **Manufactured Stock** -- The value of stock manufactured by "you" will be based on the price that such stock would have been sold for, less all discounts and unincurred expenses.
9. **Pair or Set** -- The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
10. **Loss to Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.
11. **Tenant's Improvements** -- The value of lost or damaged tenant's improvements and the loss of undamaged tenant's improvements due to the cancellation of a lease will be based on the replacement cost if repaired or replaced at "your" expense within 24 months.
- The value of lost or damaged tenant's improvements and the loss of undamaged tenant's improvements due to the cancellation of a lease will be based on a portion of "your" original cost if not repaired or replaced within 24 months. This portion is determined as follows:
- divide the number of days from the date of the loss to the expiration date of the lease by the number of days from the date of installation to the expiration date of the lease; and
 - multiply the figure determined in 11.a. above by the original cost.
- If "your" lease contains a renewal option, the expiration of the lease in this procedure will be replaced by the expiration of the renewal option period.
- Lost or damaged tenant's improvements and the loss of undamaged tenant's improvements due to the cancellation of a lease are not covered if repaired or replaced at another's expense.
12. **Valuable Papers** -- The value of "valuable papers" will be based on their actual cash value at the time of loss.
13. **Accounts Receivable** -- The value of accounts receivable will be based on the total sum of accounts receivable due. From this total "we" will deduct:
- all amounts due from the records of accounts receivable that are not lost;

- b. all amounts due that can be established by other means;
- c. all amounts due that "you" have collected from the records that are lost;
- d. all unearned interest and service charges; and
- e. an amount to allow for bad debts.

If a loss occurs and "you" cannot establish the actual accounts receivable due, it will be determined as follows:

- a. "We" will determine the total of the average monthly accounts receivable amounts for the 12 month period that directly precedes the month in which the loss occurred.
- b. "We" will adjust the total for any normal variance in the accounts receivable amount for the month in which the loss occurred.

HOW MUCH WE PAY

- 1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
- 2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount stated on the "schedule of coverages" in any one occurrence. The deductible applies to the loss before application of any coinsurance or reporting provisions.
- 3. **Earthquake Period** -- All earthquakes or volcanic eruptions that occur within a 168-hour period will be considered a single event. This 168-hour period is not limited by the policy expiration.

- 4. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 3., 5., 6., and 7. under How Much We Pay and coinsurance provisions (if applicable), "we" pay the lesser of:
 - a. the amount determined under Valuation;
 - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
 - c. the "limit" that applies to covered property.

- 5. **Insurance Under More Than One Coverage** -- If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

- 6. **Insurance Under More Than One Policy** -- "You" may have another policy subject to the same plan, "terms", conditions, and provisions as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

If there is another policy covering the same loss, other than that described above, "we" will pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" will not pay more than the applicable "limit".

- 7. **Automatic Increase** -- The "limit" on the "schedule of coverages" or the Scheduled Locations Endorsement is automatically increased annually by the annual percentage shown on the "schedule of coverages" or Scheduled Locations Endorsement for Automatic Increase.

LOSS PAYMENT

1. **Our Options** -- In the event of loss covered by this coverage form, "we" have the following options:
 - a. pay the value of the lost or damaged property;
 - b. pay the cost of repairing or replacing the lost or damaged property;
 - c. rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
 - d. take all or any part of the property at the agreed or appraised value.

"We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. **Your Losses** -- "We" will adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy. An insured loss will be payable 30 days after a satisfactory proof of loss is received, and the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".
3. **Property of Others** -- Losses to property of others may be adjusted with and paid to:
 - a. "you" on behalf of the owner; or
 - b. the owner.

If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits arising from the owners at "our" expense.

OTHER CONDITIONS

In addition to the "terms" which are contained in other sections of the Commercial Output Program coverages, the following conditions apply.

1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit to Others** -- Insurance under the Commercial Output Program coverages will not directly or indirectly benefit anyone having custody of "your" property.
3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Control of Property** -- The Commercial Output Policy coverages are not affected by any act or neglect beyond "your" control.
5. **Death** -- If "you" die, "your" rights and duties will pass 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.
6. **Liberalization** -- If a revision of a form or endorsement which broadens Commercial Output Program coverages without additional premium is adopted during the policy period, or within six months before this coverage is effective, the broadened coverage will apply.
7. **Misrepresentation, Concealment, or Fraud** -- These Commercial Output Program coverages are void as to "you" and any other insured if, before or after a loss:
 - a. "you" or any other insured have willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) "your" interest herein; or
 - b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
8. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
9. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
 - a. "you" must notify "us" promptly if "you" recover property or receive payment;
 - b. "we" must notify "you" promptly if "we" recover property or receive payment;
 - c. any recovery expenses incurred by either are reimbursed first;
 - d. "you" may keep the recovered property, but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
 - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be prorated between "you" and "us" based on "our" respective interest in the loss.
10. **Restoration of Limits** -- Except as indicated under Supplemental Coverages - Pollutant Cleanup and Removal and Supplemental Marine Coverages - Virus and Hacking Coverage, any loss "we" pay under the Commercial Output Program coverages does not reduce the "limits" applying to a later loss.
11. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" will not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.
12. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
 - a. all of the "terms" of the Commercial Output Program coverages have been complied with; and

- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by the law.

13. **Territorial Limits** -- "We" cover property while in the United States of America, its territories and possessions, Canada, and Puerto Rico.

However, "we" do cover foreign shipments as described under Overseas Transit.

14. **Mortgage Provisions** -- If a mortgagee (mortgage holder) is named in this policy, loss to building property will be paid to the mortgagee and "you" as their interest appears. If more than one mortgagee is named, they will be paid in order of precedence.

The insurance for the mortgagee continues in effect even when "your" insurance may be void because of "your" acts, neglect, or failure to comply with the coverage "terms". The insurance for the mortgagee does not continue in effect if the mortgagee is aware of changes in ownership or substantial increase in risk and does not notify "us".

If "we" cancel this policy, "we" will notify the mortgagee at least ten days before the effective date of cancellation if "we" cancel for "your" nonpayment of premium, or 30 days before the effective date of cancellation if "we" cancel for any other reason.

"We" may request payment of the premium from the mortgagee if "you" fail to pay the premium.

If "we" pay the mortgagee for a loss where "your" insurance may be void, the mortgagee's right to collect that portion of the mortgage debt from "you" then belongs to "us". This does not affect the mortgagee's right to collect the remainder of the mortgage debt from "you".

As an alternative, "we" may pay the mortgagee the remaining principal and accrued interest in return for a full assignment of the mortgagee's interest and any instruments given as security for the mortgage debt.

If "we" choose not to renew this policy, "we" will give written notice to the mortgagee at least ten days before the expiration date of this policy.

15. **Vacancy - Unoccupancy** -- "We" do not pay for loss caused by attempted "theft"; breakage of building glass; sprinkler leakage (unless "you" have protected the system against freezing); "theft"; vandalism; or water damage occurring while the building or structure has been:
- a. vacant for more than 60 consecutive days; or
 - b. unoccupied for more than:
 - 1) 60 consecutive days; or
 - 2) the usual or incidental unoccupancy period for a "covered location"; whichever is longer.

The amount "we" will pay will be reduced by 15% for any loss by a covered peril, not otherwise excluded above, if the building or structure is vacant or unoccupied, as described above.

Unoccupied means that the customary activities or operations at a "covered location" are suspended, but business personal property has not been removed. The building or structure will be considered vacant and not unoccupied when the occupants have moved, leaving the building or structure empty or containing only limited business personal property. Buildings or structures under construction are not considered vacant or unoccupied.

SCHEDULED LOCATIONS ENDORSEMENT

PROPERTY COVERED

The following provision is added to Property Covered.

Scheduled Locations -- Coverage provided by the Commercial Output Program coverages applies only to the "covered locations" described on the Location Schedule.

ADDITIONAL COVERAGES

The following Additional Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages". If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for an Additional Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for an Additional Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered. The "limit" available for coverage described under an Additional Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for an Additional Coverage and the "limit" for coverage described under Property Covered.

Unless otherwise stated, each additional coverage:

- a. applies to loss caused by a covered peril;

- b. is not subject to and not considered in applying coinsurance when coinsurance conditions are added to this coverage; and
- c. does not extend coverage to personal property at fairs or exhibitions.

1. **Newly Built or Acquired Buildings** -- "We" cover direct physical loss to "your" buildings or structures:

- a. being built at "covered locations" or while being built at other than "covered locations"; or
- b. that "you" acquire during the policy period.

This additional coverage applies for 120 days from the date "you" acquire or begin to construct the building or structure or until "you" report the property to "us", whichever occurs first. This coverage does not go beyond the end of the policy period.

"You" must pay any additional premium due from the date construction is started or from the date "you" acquire the property.

The most "we" pay in any one occurrence for each newly built or acquired building or structure is \$500,000.

2. **Business Personal Property - Acquired Locations** -- "We" cover direct physical loss to "your" business personal property at locations that "you" acquire during the policy period.

This coverage applies for 120 days from the date "you" acquire the location or until "you" report the acquired location to "us", whichever occurs first. This coverage does not go beyond the end of the policy period.

"You" must pay any additional premium due from the date "you" acquire the location.

The most "we" pay in any one occurrence for business personal property at each location "you" acquire is \$250,000.

3. **Locations "You" Elect Not To Describe --** "We" cover direct physical loss to "your" building property and business personal property at locations that are not described on the Location Schedule.

The "limit" provided under this additional coverage cannot be combined or added to the "limits" for Newly Acquired Buildings and Personal Property - Acquired Locations.

The most "we" pay in any one occurrence for each unscheduled location is \$50,000.

4. **Newly Built or Acquired Locations - Income Coverage --** If the Commercial Output Program - Income Coverage Part is attached to this policy, "we" extend "your" coverage for earnings and extra expense to include direct physical loss to "your" covered property while at any location being built or at locations that "you" acquire during the policy period.

If a loss occurs at a location being built and the loss delays the start of "your" "business", the "restoration period" starts from the time "your" "business" would have begun had no loss occurred.

This coverage applies for 120 days from the date the location is acquired or construction begins or until "you" report the location to "us", whichever occurs first. This coverage does not go beyond the end of the policy period.

"You" must pay any additional premium due from the date construction is started or "you" acquire the location.

The most "we" pay in any one occurrence for loss of earnings and incurred extra expense at each newly acquired or built location is \$250,000.

HOW MUCH WE PAY

The following provisions are added to How Much We Pay if a coinsurance percentage is indicated on the "schedule of coverages".

1. **Coinsurance, Property Coverage Part --** "We" pay only a part of the loss if the "limit" is less than the value of the covered property at the time of the loss multiplied by the coinsurance percentage. "Our" part of the loss is determined using the following steps:
- multiply the value of the covered property at the time of the loss by the coinsurance percentage;
 - divide the "limit" for covered property by the result determined in a. above;
 - multiply the total amount of loss, after the application of any deductible, by the result determined in b. above.
- "We" pay the amount determined in c. above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

If there is more than one "limit" indicated on the "schedule of coverage", this procedure applies separately to each covered property for which a "limit" is shown.

If there is only one "limit" indicated on the "schedule of coverage", this procedure applies to the total of all covered property to which the "limit" applies.

2. **Coinsurance, Income Coverage Part --** If the Commercial Output Program - Income Coverage Part is attached to this policy, "we" pay only a part of the loss if the "limit" is less than the coinsurance percentage multiplied by the sum of "your" net income (net profit or loss before income taxes) and continuing operating expenses projected for the 12 months following the inception of this policy or the last previous anniversary date of this policy (whichever is later), normally earned by "your" "business".

"Our" part of the loss is determined using the following steps:

- a. multiply the coinsurance percentage by the sum of "your" net income and continuing operating expenses projected for the 12 months following the inception of this policy or the last previous anniversary date of this policy;
- b. divide the "limit" by the figure determined in a. above;
- c. multiply the total amount of loss by the figure determined in b. above.

"We" pay the amount determined in c. above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

If there is more than one "limit" indicated on the "schedule of coverage" for the Income Coverage Part, this procedure applies separately to each "limit".

Coinsurance does not apply to coverage for extra expense.

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WINDSTORM OR HAIL DEDUCTIBLE

The "terms" of this endorsement apply to property for which entries have been made on the Windstorm Or Hail Schedule or on the "schedule of coverages" to show a Windstorm Or Hail Deductible.

All other "terms" of this policy apply.

HOW MUCH WE PAY

Deductible -- The deductible provision under How Much We Pay is replaced by the provisions for Flat Deductible or Percentage Deductible when loss to covered property identified on the Windstorm Or Hail Schedule is caused by or results from windstorm or hail.

1. **Applicable Deductible** -- The Windstorm Or Hail Deductible indicated on the Windstorm Or Hail Schedule is applicable to loss or damage to covered property caused directly or indirectly by the perils of windstorm or hail.
2. **Weather Condition Other Than Windstorm Or Hail** -- Loss or damage resulting from a covered weather condition, other than windstorm or hail, will be considered to be caused by windstorm or hail and will be considered part of the windstorm or hail occurrence if the loss or damage would not have occurred without the weather conditions of windstorm or hail.
3. **Flat Deductible** -- When a flat dollar deductible is indicated on the Windstorm Or Hail Schedule, "we" pay only that part of "your" loss over the deductible amount in any one occurrence.
4. **Percentage Deductible** --
 - a. **Percentage** -- When a 1%, 2%, or 5% deductible is indicated on the Windstorm Or Hail Schedule, "we" pay only that part of "your" loss over the deductible amount in any one occurrence. The deductible amount is determined by applying the percentage indicated on the schedule to the value of the covered property that is involved in the loss.
 - b. **Value Determined At Time Of Loss** -- Only as regards the determination of the Percentage Deductible, the value of covered property is determined at the time of loss or damage and in accordance with the provisions described under the Valuation section of the policy.
 - c. **Deductible Applies Separately** -- The windstorm or hail percentage deductible applies separately to:
 - 1) each building or structure, including business personal property within each building or structure;
 - 2) business personal property in each building or structure that is not covered by this policy; and
 - 3) business personal property in the open or in a vehicle.

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ATLANTIC RISK COMMUNICATION TOWER COVERAGE FORM

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Atlantic Risk Communication "Tower" Coverage Form. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the declarations.
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Communication Equipment":
 - a. **Communication Equipment Means** -- "Communication Equipment" means equipment designed and used for transmission, reception, or recording.
 - b. **Communication Equipment Does Not Include** -- "Communication Equipment" does not include:
 - 1) "Communication software"; and
 - 2) "computer equipment".

4. "Communication recordings" means "proprietary recordings" and "purchased recordings".
5. "Communication software" means:
 - a. operating programs and applications that "you" purchase;
 - b. proprietary operating programs or applications that are developed in-house or that "you" had developed specifically for "you"; and
 - c. "recording media" that are designed for and used with "communication equipment".
6. "Computer equipment" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results.

"Computer equipment" includes but is not limited to:

 - a. mainframe and mid-range computers and network servers;
 - b. personal computers and workstations;
 - c. laptops, palmtops, notebook PCs, other portable computer devices and accessories including, but not limited to, multimedia projectors; and
 - d. peripheral data processing equipment, including but not limited to, printers, keyboards, monitors, and modems.
7. "Earth movement" means any movement or vibration of the earth's surface (other than "sinkhole collapse") including but not limited

- to earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting of earth.
8. "Flood" means flood, surface water, waves, tidal water, or the overflow of a body of water, all whether driven by wind or not. This includes spray that results from these whether driven by wind or not.
 9. "Hacking" means an unauthorized intrusion:
 - a. by an individual or group of individuals, whether employed by "you" or not, into "communication equipment", "computer equipment", "communication software", Web site, or a computer network; and
 - b. that results in but is not limited to:
 - 1) deletion, destruction, generation, or modification of "communication software";
 - 2) alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "communication software";
 - 3) observation, scanning, or copying of "communication software";
 - 4) damage, destruction, inadequacy, malfunction, degradation, or corruption of any "communication equipment", "computer equipment", "Web site server", or media used with "communication equipment", "computer equipment" or "Web site server"; or
 - 5) denial of access to or denial of services from "your" "communication equipment", "computer equipment", "Web site server", or "your" computer network.
 10. "Limit" means the amount of coverage that applies.
 11. "Pollutant" means:
 - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
 - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
 12. "Proprietary recordings" means recordings:
 - a. made by "you" of "your" radio or television broadcasts; or
 - b. of audio or visual special effects that "you" developed in-house or that "you" had developed specifically for "you",

that are stored on "recording media".
 13. "Purchased recordings" means off-the-shelf recordings that "you" purchase and that are stored on "recording media".
 14. "Recording media" means recording or storage media that is used for "communication software".

"Recording media" is limited to films, tapes, or discs.
 15. "Schedule of coverages" means:
 - a. all pages labeled schedule of coverages or schedules that pertain to this coverage; and
 - b. declarations or supplemental declarations that pertain to this coverage.
 16. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
 17. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

- 18. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
- 19. "Towers" means and includes:
 - a. antennas, microwave dishes, or any other equipment that is permanently attached to the tower;
 - b. lead-in wiring and masts;
 - c. guy wires; or
 - d. above or below ground foundations.
- 20. "Virus" means the introduction of any malicious, self-replicating electronic data processing code or other code:
 - a. into "communication equipment", "computer equipment", "communication software" or "computer software"; and
 - b. that is intended to result in, but is not limited to:
 - 1) deletion, destruction, generation, or modification of "communication software" or "computer software";
 - 2) alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "communication software" or "computer software";
 - 3) damage, destruction, inadequacy, malfunction, degradation, or corruption of any "communication equipment" or "computer equipment" used with "communication

- equipment" or "computer equipment"; or
- 4) denial of access to or denial of services from "your" "communication equipment", "computer equipment", "Web site server", or "your" computer network.

- 21. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

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

- 22. "Web site server" means a server that is used for "your" Web site.

PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

1. Communication Equipment --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to "communication equipment" and similar property of others that "you" are responsible for.
- b. **Coverage Limitations** -- "We" only cover "communication equipment" and similar property of others:
 - 1) when a "limit" for "communication Equipment" is indicated on the "schedule of coverages"; and
 - 2) while at a premises that is described on the "schedule of coverages".

2. "Towers" And Dishes --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to "towers", satellite dishes, and similar property of others that "you" are responsible for.

- b. **Coverage Limitations** -- "We" only cover "towers", satellite dishes, and similar property of others:
 - 1) when a "limit" for "Towers" And Dishes is indicated on the "schedule of coverages"; and
 - 2) while at a premises that is described on the "schedule of coverages".

3. **Off-Site Coverage** --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to "communication equipment" and similar property of others that "you" are responsible for; and while temporarily away from a premises that is described on the "schedule of coverages".
- b. **Coverage Limitations** -- "We" only cover "communication equipment" while away from a described premises when a "limit" or percentage for Off-Site Coverage is indicated on the "schedule of coverages".

PROPERTY NOT COVERED

- 1. **Accounts, Bills, Or Documents** -- "We" do not cover accounts, bills, evidences of debt, records, abstracts, deeds, manuscripts, program documentation, or other documents.
- 2. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft.
- 3. **Buildings and "Your" Personal Property** -- Except as provided under Extensions of Coverage or Supplemental Coverages "we" do not cover transmission or reception buildings (including fences around these buildings) and "your" personal property.
- 4. **Communication Recordings** -- "We" do not cover "communication recordings".
- 5. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.

- 6. **Loaned, Leased, Or Rented To Others** -- "We" do not cover property that "you" loan, lease, or rent to others.
- 7. **Money And Securities** -- "We" do not cover currency, food stamps, lottery tickets not held for sale, money, notes, or securities.
- 8. **Vehicles** -- "We" do not cover automobiles or any self-propelled vehicles that are designed for highway use.

COVERAGE EXTENSIONS

Provisions That Apply To Coverage

Extensions -- The coverage provided under these Coverage Extensions is part of, and not in addition to the applicable "limit" for coverage described under Property Covered.

If a different "limit" is indicated on "your" "Schedule of Coverages", that "limit" will apply instead of the "limit" stated within each Coverage Extension.

However, if no "limit" is indicated for a particular Coverage Extension either in this form or on the "Schedule of Coverages" coverage is provided up to the "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage including a Coverage Extension or Supplemental Coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following coverage extensions are not subject to and not considered in applying coinsurance conditions.

1. **Debris Removal** --

- a. **Coverage** -- "We" pay the cost to remove the debris of covered property that is caused by a covered peril.

- b. **We Do Not Cover** -- This coverage does not include costs to:
 - 1) extract "pollutants" from land or water; or
 - 2) remove, restore, or replace polluted land or water.
 - c. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.
 - d. **Additional Limit** -- "We" pay up to an additional \$15,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.
 - e. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.
- 2. **Emergency Removal** --
 - a. **Coverage** -- "We" cover any direct physical loss to covered property while it is being moved or being stored to prevent a loss caused by a covered peril.
 - b. **Time Limitation** -- This coverage applies for up to 365 days after the property is first moved. Also, this coverage does not extend past the date on which this policy expires.
- 3. **Furniture and Fixtures and "Computer Equipment"** --
 - a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to furniture and fixtures and "computer equipment".
 - b. **Coverage, Location and Limit Limitations** -- "We" only cover furniture and fixtures and "computer equipment"
 - while at a premises that is described on the "schedule of coverages" and only if a "limit" for each of these is included on "your" schedule on file with us.
- 4. **Ordinance or Law (Increased Cost to Repair and Cost to Demolish and Clear Site)** --
 - a. **Increased Cost to Repair** -- If there is a direct physical loss or damage to a covered building, "tower" or structure caused by a covered peril under this form, "we" will pay:
 - 1) the increased cost to repair, rebuild, or reconstruct damaged portions of a covered building, "tower" or structure; and
 - 2) the increased cost to repair, rebuild, or reconstruct undamaged portions of a covered building, "tower" or structure whether or not those undamaged portions need to be demolished; if the increased cost to repair, rebuild or reconstruct is a result of the enforcement of building, zoning, or land use ordinance, law, or decree and is in force at the time when a covered loss under this form occurs to such covered building, "tower" or structure.
 - b. **Similar Occupancy** -- If a covered building, "tower" or structure is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by building, zoning, or land use ordinance, law, or decree.
 - c. **"We" Do Not Cover** -- "We" do not cover the increased cost of construction until the covered building, "tower" or structure is actually repaired or replaced and unless the repairs or replacement are made as soon as reasonably possible after the loss, not to exceed two years.

d. **Cost to Demolish and Clear Site --**

"We" will also cover the cost to demolish and clear the site of undamaged parts of the covered building, "tower" or structure that is damaged or destroyed as a result of a covered loss under this form if the demolition is a result of the enforcement of a building, zoning, or land use ordinance, law, or decree that is in force at the time of the covered loss to the covered building, "tower" or structure covered under this form.

e. **We Do Not Cover --** "We" do not cover the costs associated with the enforcement of any ordinance, law, or decree that:

- 1) requires "you" or anyone else to 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) "you" were required to comply with before the covered peril occurred to a covered building, "tower" or structure, even if the building, "tower" or structure was undamaged and "you" failed to comply with the ordinance, law, or decree.

f. **What We Pay If The Building Is Repaired or Replaced --** If the covered building, "tower" or structure is repaired or replaced, "we" pay the lesser of:

- 1) the amount "you" actually spend to demolish and clear the site, plus the actual increased cost to repair, rebuild, or construct the property but not for more than a building, "tower" or structure of the same height, floor area, and style; or

2) \$50,000

g. **What We Pay If The Building Is Not Repaired or Replaced --** If the covered building, "tower" or structure is not repaired or replaced, "we" pay the lesser of:

- 1) the amount "you" actually spend to demolish and clear the site; plus the cost "you" would have incurred to

replace the damaged or destroyed property with other property:

- a) of like kind, and quality;
- b) of the same height, floor area, and style; and
- c) used for the same purpose; or

2.) \$50,000

5. **Ordinance or Law (Undamaged Parts of a Building, "Tower" or Structure) --** If there is a direct physical loss or damage to a covered building, "tower" or structure caused by a covered peril under this form, "we" will pay for the value of undamaged parts of such covered building, "tower" or structure that is required to be demolished as a result of the enforcement of any ordinance, law, or decree that:

- a. requires the demolition of undamaged parts of a covered building, "tower" or structure that is damaged or destroyed by a covered peril;
- b. regulates the construction or repair of a building, "tower" or structure, or establishes building, zoning, or land use requirements at a "covered location"; and
- c. is in force at the time of loss.

d. **Limit --** The most "we" pay in any one occurrence for loss is \$50,000. "We" will not pay more for loss to property and ordinance or law (undamaged parts of a building, "tower or structure) than the "limit" for the damaged property.

"We" do not cover the costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants".

SUPPLEMENTAL COVERAGES

Provisions That Apply To Supplemental Coverages

-- The coverage provided under these Supplemental Coverages is separate from, and not part of, the applicable "limit" for any other coverage described in Property Covered.

The coverage provided under each of the following Supplemental Coverages indicates an applicable "limit".

If a different "limit" is indicated on "your" "Schedule of Coverages", that "limit" will apply instead of the "limit" stated within each Supplemental Coverage.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension including a Supplemental Coverage or Coverage Extension that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following supplemental coverages are not subject to and not considered in applying coinsurance conditions.

1. Communication Software --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to "communication software".
- b. **Coverage Limitations** -- "We" only cover "communication software" while at a premises that is described on the "schedule of coverages".
- c. **Coverage Condition** -- "We" do not cover any proprietary operating programs

or applications that are developed in-house or that "you" had developed specifically for "you" unless duplicate copies of the programs and applications exist and the duplicate copies are stored in a separate building that is at least 100 feet away from a premises that is described on the "schedule of coverages".

- d. **Limit** -- The most "we" pay in any one occurrence for loss to "communication software" is \$5,000.

2. Damage To Buildings And Personal Property --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
 - 1) transmission or reception buildings (including fences around these buildings); or
 - 2) "your" personal property, other than covered property.
- b. **Limit** -- The most "we" pay in any one occurrence for damage caused by the collapse of a "tower" is per the statement of values on file with the company.

3. **Earthquake Coverage** -- If coverage is indicated on the "schedule of coverages", "we" cover direct physical loss caused by earthquake and volcanic eruption to covered property.

4. **Flood Coverage** -- If coverage is indicated on the "schedule of coverages", "we" cover direct physical loss caused by "flood" to covered property.

5. Newly Acquired Premises --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to covered property at premises that "you" acquire during the policy period.
- b. **Limit** -- "We" pay up to \$250,000 for covered property at premises that "you" acquire.

- c. **Time Limitation** -- This coverage applies for up to 60 days from the date "you" acquire the premises or until "you" report the acquired premises to "us", whichever occurs first.

However, this coverage does not go beyond the end of the policy period.

- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" acquire the premises.

6. Newly Purchased Or Leased Equipment --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to additional "communication equipment" that "you" purchase or lease during the policy period.
- b. **Limit** -- The most that "we" pay for any loss under this supplemental coverage is \$100,000.
- c. **Time Limitation** -- "We" extend coverage to the additional equipment that "you" purchase or lease for up to 60 days.

This supplemental coverage will end when any of the following first occurs:

- 1) this policy expires;
- 2) 60 days after "you" obtain the additional equipment; or
- 3) "you" report the additional equipment to "us".

- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" purchase or lease the additional equipment.

7. **Expediting Expenses** -- In the event of a direct physical loss by a covered peril to "your" covered property "we" pay for reasonable expenses necessary to expedite permanent repairs or replacement and make temporary repairs to damaged covered property. Expediting expenses include additional labor or overtime, and transportation cost.

The most "we" pay for all expediting expenses in any one occurrence is \$50,000.

8. Pollutant Cleanup And Removal --

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.

- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.

- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.

- d. **Limit** -- The most "we" pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

9. **Tuning and Retuning--** If it is necessary to tune or retune covered property, as a result of direct physical loss or damage to covered property caused by a covered peril under this form, "we" will pay up to \$5000 for the necessary cost to tune or retune such covered property.

10. **Sewer Backup Coverage** -- If coverage is indicated on the "schedule of coverages", "we" cover direct physical loss to covered property caused by:

- a. water that backs up through a sewer or drain; or
- b. water below the surface of the ground including water that exerts pressure on or flows, seeps, or leaks through or into described premises. The most "we" pay for a loss caused by sewer backup and water below the surface in any one occurrence is \$25,000

PERILS COVERED

"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

- a. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Earth Movement Or Volcanic Eruption** -- Except as provided under Supplemental Coverages - Earthquake Coverage, "we" do not pay for loss caused by any "earth movement" (other than "sinkhole collapse") or caused by eruption, explosion, or effusion of a volcano.

"We" do cover direct loss by fire, explosion, or "volcanic action" resulting from either earth movement or eruption, explosion, or effusion of a volcano.

This exclusion does not apply to covered property while in transit.

- c. **Flood** -- Except as provided under Supplemental Coverages - Flood Coverage, "we" do not pay for loss caused by "flood".

"We" do cover direct loss by fire, explosion, or sprinkler leakage resulting from "flood".

This exclusion does not apply to covered property while in transit.

- d. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- e. **Sewer Backup And Water Below The Surface** -- Except as provided under Supplemental Coverages - Sewer Backup Coverage, "we" do not pay for loss caused by:

- 1) water that backs up through a sewer or drain; or
- 2) water below the surface of the ground, including but not limited to water that exerts pressure on or flows, seeps, or leaks through or into a building or structure.

"We" do cover direct loss by fire, explosion, or theft resulting from either water that backs up through a sewer or drain or water below the surface of the ground.

This exclusion does not apply to covered property while in transit.

f. **War And Military Action** -- "We" do not pay for loss caused by:

- 1) war, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War And Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

- a. **Contamination Or Deterioration** -- "We" do not pay for loss caused by contamination or deterioration including corrosion; decay; fungus; mildew; mold; rot; rust; or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.
- b. **Criminal, Fraudulent, Dishonest, Or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:
 - 1) "you";
 - 2) others who have an interest in the property;
 - 3) others to whom "you" entrust the property;
 - 4) "your" partners, officers, directors, trustees, joint ventures, or "your"

members or managers if "you" are a limited liability company; or

- 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

c. **Defects, Errors, Or Omissions** -- "We" do not pay for loss caused by:

- 1) an act, defect, error, or omission (negligent or not) relating to:
 - a) design or specifications;
 - b) workmanship; or
 - c) materials, installation, renovation, remodeling, or repair; or
- 2) a defect, weakness, inadequacy, fault or unsoundness in materials.

But if a defect, error, or omission as described above results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

d. **Loss Of Use** -- "We" do not pay for loss caused by or resulting from loss of use, delay, or loss of market.

e. **Missing Property** -- "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- f. **Pollutants** -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":

- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
- 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup And Removal.

"We" do cover any resulting loss caused by a "specified peril".

- g. **Processing Work** -- "We" do not pay for loss to property caused by any processing or other work upon the property.

But if processing or other work upon the property results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- h. **Tuning And Retuning** -- Except as provided under Supplemental Coverages "we" do not pay for loss caused by tuning or retuning of towers or antennas.

- i. **Virus or Hacking** -- "We" do not pay for:

- 1) any direct or indirect loss or damage; or
- 2) loss of access, loss of use, or loss of functionality

caused by a "virus" or by "hacking".

- j. **Voluntary Parting** -- "We" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- k. **Wear And Tear** -- "We" do not pay for loss caused by wear and tear, marring or scratching.

WHAT MUST BE DONE IN CASE OF LOSS

1. **Notice** -- In case of a loss, "you" must:

- a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
- b. give notice to the police when the act that causes the loss is a crime.

2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.

- a. **Payment Of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".

- b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against.

3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:

- a. the time, place, and circumstances of the loss;
- b. other policies of insurance that may cover the loss;
- c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;

- d. changes in title of the covered property during the policy period; and
 - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
 5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
 6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
 7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
 8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
 9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

VALUATION

1. **"Communication Equipment", "Towers", And Satellite Dishes** -- The value of "communication equipment", "towers", and satellite dishes will be based on the actual cash value or replacement cost or agreed amount. The applicable valuation will be indicated on the "schedule of coverages".

- a. **Replacement Cost** -- The value of covered property will be based on the replacement cost without any deduction for depreciation.

- 1) **Replacement Cost Limitation** -- The replacement cost is limited to the cost of repair or replacement with similar materials on the same site and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.
- 2) **Replacement Cost Does Not Apply Until Repair Or Replacement** -- Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
- 3) **Time Limitation** -- "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.

- b. **Actual Cash Value** -- The value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation).

- c. **Agreed Amount** -- The value of covered property is the "limit" indicated for the described property. Coinsurance does not apply to agreed amount valuation.

2. **Communication Software** -- The value of "communication software" will be based on the following:

- a. **Operating Programs And Applications That You Purchase** --

- 1) **Cost To Reinstall** -- The value of operating programs and applications that "you" purchase will be based on the cost to reinstall the programs or applications from the licensed discs that were originally used to install the programs or applications.

- 2) **If The Original Discs Are Lost** -- If the original licensed discs are lost, damaged, or can no longer be obtained, the value of operating programs and applications that "you" purchase will be based on the cost of the most current version of the programs or applications.
- b. **Proprietary Operating Programs And Applications** -- The value of proprietary operating programs and applications will be based on the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.
3. **Recording Media** -- The value of "recording media" will be based on the cost to repair or replace the "recording media" with material of the same kind or quality.
4. **Pair Or Set** -- The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
5. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.
3. **Earthquake Period** -- All earthquakes or volcanic eruptions that occur within a 168-hour period will be considered a single event. This 168-hour period is not limited by the policy expiration.
4. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 3., 5., 6., and 7. under How Much We Pay, "we" pay the lesser of:

- a. the amount determined under Valuation;
- b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
- c. the "limit" that applies to the covered property.

5. Coinsurance --

- a. **When Coinsurance Applies** -- "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
- b. **How We Determine Our Part Of The Loss** -- "Our" part of the loss is determined using the following steps:
- 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
 - 2) divide the "limit" for covered property by the result determined in b.1) above;
 - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

- c. **If There Is More Than One Limit** -- If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
- d. **If There Is Only One Limit** -- If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.

- e. **When Coinsurance Does Not Apply** -- Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

6. **Insurance Under More Than One**

Coverage -- If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

7. **Insurance Under More Than One Policy** --

- a. **Proportional Share** -- "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
- b. **Excess Amount** -- If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

LOSS PAYMENT

1. **Loss Payment Options** --

- a. **Our Options** -- In the event of loss covered by this coverage form, "we" have the following options:
 - 1) pay the value of the lost or damaged property;
 - 2) pay the cost of repairing or replacing the lost or damaged property;
 - 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
 - 4) take all or any part of the property at the agreed or appraised value.

- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. **Your Losses** --

- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
- b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
 - 1) a satisfactory proof of loss is received; and
 - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".

3. **Property Of Others** --

- a. **Adjustment And Payment Of Loss To Property Of Others** -- Losses to property of others may be adjusted with and paid to:
 - 1) "you" on behalf of the owner; or
 - 2) the owner.
- b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

OTHER CONDITIONS

- 1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit To Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.
3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Estates** -- This provision applies only if the insured is an individual.
 - a. **Your Death** -- On "your" death, "we" cover the following as an insured:
 - 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
 - 2) "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.

- b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.
5. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:
 - a. "you" or any other insured have willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) "your" interest herein; or
 - b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
 - a. "you" must notify "us" promptly if "you" recover property or receive payment;
 - b. "we" must notify "you" promptly if "we" recover property or receive payment;
 - c. any recovery expenses incurred by either are reimbursed first;
 - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and

- e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.

- 8. **Restoration Of Limits** -- A loss "we" pay under this coverage does not reduce the applicable "limits".
- 9. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.

- 10. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:

- a. all of the "terms" of this coverage have been complied with; and
- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

- 11. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

- 2) an engineering analysis has been performed for major alterations validating that the "tower" meets existing structural requirements.

This provision does not apply to temporary changes or alterations which would be necessitated during the performance of maintenance or repairs.

ADDITIONAL COVERAGE LIMITATIONS

Tower Modification -- "We" do not provide coverage under this policy for "towers" if, without "our" prior written consent, "you" materially change or modify the design or construction characteristics of a covered "tower" unless:

- 1) the changes or modifications do not exceed design specifications and,

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

In Witness Whereof, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.

A handwritten signature in black ink, appearing to read 'Frederick H. Eppinger', with a stylized, elongated final flourish.

Frederick H. Eppinger
President

A handwritten signature in black ink, appearing to read 'Charles F. Cronin', with a stylized, elongated final flourish.

Charles Frederick Cronin
Secretary



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGE

Policy Change Number 1

POLICY CHANGE EFFECTIVE DATE	POLICY NUMBER	TERM YR(S)	POLICY EFFECTIVE DATE	
12/23/2015	RHQ A519114 01	1	FROM	TO
			12/23/2015	12/23/2016
NAMED INSURED DIVINE WORD RADIO INC. DBA DIVINE WORD COMMUNICATIONS 14 W. GADSDEN STREET PENSACOLA, FL 32502			AUTHORIZED REPRESENTATIVE BB&T- ATLANTIC RISK MGMT 5850 WATERLOO RD #240 COLUMBIA, MD 21045	
			AGENCY CODE	5102243
COVERAGE PART AFFECTED <input type="checkbox"/> Commercial Property Coverage Part <input type="checkbox"/> Commercial General Liability Coverage Part <input type="checkbox"/> Commercial Crime Coverage Part <input type="checkbox"/>			<input checked="" type="checkbox"/> Commercial Inland Marine Coverage Part <input type="checkbox"/> Boiler and Machinery Coverage Part <input type="checkbox"/> Commercial Auto Coverage Part <input type="checkbox"/> <input type="checkbox"/>	
CHANGES THE ATLANTIC RISK COMMUNICATION TOWER COVERAGE IS AMENDED AS FOLLOWS: BUILDING LIMIT IS DECREASED FROM \$140,000 TO \$40,000 & EQUIPMENT LIMIT IS DECREASED FROM \$55,000 TO \$35,000 PER REVISED TOWER SCHEDULE ON FILE DATED 09/10/2015. NEW TOWER TOTALS: TOWER: \$200,000 FENCE: \$1,500 EQUIPMENT: \$35,000 BUILDING: \$40,000 BUSINESS INCOME/EXTRA EXPENSE: \$0 GRAND TOTAL: \$276,500				
OLD POLICY PREMIUM \$6,739.07	NEW POLICY PREMIUM \$4,939.07	PREMIUM DUE * (\$1,800) HANOCASH APPLICABLE YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>		

*Parentheses indicate a return premium

Countersigned By


Authorized Representative Signature

Name: Divine Word Radio
DBA Divine Word Communications

[illegible]

CLIENT CLAIMS CENTER



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- Close relationships with company claim managers and adjusters
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