

SERFF Tracking Number: CNAB-125264766 State: Arkansas  
First Filing Company: American Casualty Company of Reading PA, ... State Tracking Number: AR-PC-07-026036  
Company Tracking Number: 07-F3113  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners  
Liability  
Product Name: Connect  
Project Name/Number: Connect /0000

## Filing at a Glance

Companies: American Casualty Company of Reading PA, Continental Casualty Company , National Fire Insurance Company of Hartford, Transportation Insurance Company, Valley Forge Insurance Company  
Product Name: Connect SERFF Tr Num: CNAB-125264766 State: Arkansas  
TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability SERFF Status: Closed State Tr Num: AR-PC-07-026036  
Sub-TOI: 05.0002 Businessowners Co Tr Num: 07-F3113 State Status:  
Filing Type: Form Co Status: Reviewer(s): Betty Montesi,  
Llyweyia Rawlins, Brittany Yielding  
Author: Roberta Cooper Disposition Date: 10/02/2007  
Date Submitted: 09/10/2007 Disposition Status: Approved  
Effective Date Requested (New): 12/21/2007 Effective Date (New): 12/21/2007  
Effective Date Requested (Renewal): 12/21/2007 Effective Date (Renewal):  
12/21/2007

## General Information

Project Name: Connect Status of Filing in Domicile:  
Project Number: 0000 Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 10/02/2007  
State Status Changed: 09/10/2007 Deemer Date:  
Corresponding Filing Tracking Number:

Filing Description:

We are filing 12 new forms and 18 revised forms to be used with our CNA Connect Program.

## Company and Contact

### Filing Contact Information

Roberta F. Cooper, State Filing Consultant roberta.cooper@cna.com

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 Liability  
 Product Name: Connect  
 Project Name/Number: Connect /0000

333 S. Wabash (312) 822-4292 [Phone]  
 Chicago, IL 60685 (312) 755-2394[FAX]

**Filing Company Information**

American Casualty Company of Reading PA CoCode: 20427 State of Domicile: Pennsylvania  
 333 South Wabash Group Code: 218 Company Type: Property and  
 Casualty

37th Floor  
 Chicago, IL 60604 Group Name: CNA Insurance State ID Number:  
 Companies  
 (312) 822-4292 ext. [Phone] FEIN Number: 23-0342560  
 -----

Continental Casualty Company CoCode: 20443 State of Domicile: Illinois  
 333 South Wabash Group Code: 218 Company Type: Property and  
 Casualty

Chicago , IL 60604 Group Name: CNA Insurance State ID Number:  
 Companies  
 (312) 822-4292 ext. [Phone] FEIN Number: 36-2114545  
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National Fire Insurance Company of Hartford CoCode: 20478 State of Domicile: Illinois  
 333 South Wabash Group Code: 218 Company Type: Property and  
 Casualty

37th Floor  
 Chicago, IL 60604 Group Name: CNA Insurance State ID Number:  
 Companies  
 (312) 822-4292 ext. [Phone] FEIN Number: 06-0464510  
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Transportation Insurance Company CoCode: 20494 State of Domicile: Illinois  
 333 South Wabash Group Code: 218 Company Type: Property and  
 Casualty

37th Floor  
 Chicago, IL 60604 Group Name: CNA Insurance State ID Number:  
 Companies  
 (312) 822-4292 ext. [Phone] FEIN Number: 36-1877247  
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Valley Forge Insurance Company  
333 South Wabash

CoCode: 20508  
Group Code: 218

State of Domicile: Pennsylvania  
Company Type: Property and  
Casualty

37th Floor  
Chicago, IL 60604

Group Name: CNA Insurance  
Companies  
FEIN Number: 23-1620527  
-----

State ID Number:

(312) 822-4292 ext. [Phone]

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## Filing Fees

Fee Required? Yes  
Fee Amount: \$250.00  
Retaliatory? No  
Fee Explanation: We are sending our check in the amount of \$250 to cover the cost of filing fees. We are filing 5 companies at \$50 each.  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Casualty Company of Reading PA	\$0.00	09/10/2007	
Continental Casualty Company	\$0.00	09/10/2007	
National Fire Insurance Company of Hartford	\$0.00	09/10/2007	
Transportation Insurance Company	\$0.00	09/10/2007	
Valley Forge Insurance Company	\$0.00	09/10/2007	

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 Liability  
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	10/02/2007	10/02/2007

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Llyweyia Rawlins	09/26/2007	09/26/2007	Roberta Cooper	10/01/2007	10/01/2007

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## Disposition

Disposition Date: 10/02/2007  
Effective Date (New): 12/21/2007  
Effective Date (Renewal): 12/21/2007  
Status: Approved  
Comment:

Rate data does NOT apply to filing.

### Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Forms Memos	Approved	Yes
Supporting Document	Response Letter	Approved	Yes
Form	Passport Access Endorsement	Approved	Yes
Form	Hired auto Physical Damage Coverages	Approved	Yes
Form	Carpet, Rug, Furniture and Upholstery Cleaning customers Property Endorsement	Approved	Yes
Form	Exclusion- Testing or Consulting Errors and Omissions	Approved	Yes
Form	Exclusion -Subsidence (AZ, CA, CO, NY )	Approved	Yes
Form	Exclusion -Subsidence- residential (All other States)	Approved	Yes
Form	Exclusion -Construction Wrap-Up Program	Approved	Yes
Form	Exclusion -Designated Operations Covered by a Consolidated (Wrap-UP) Insurance Program	Approved	Yes
Form	Condominium Association Coverage	Approved	Yes
Form	Fiduciary Liability Coverage Form	Approved	Yes
Form	Employment Related Practices Liability Coverage Form	Approved	Yes
Form	Single Limit of Insurance Endorsement for Employment Practices/Fiduciary Liability Coverage Forms	Approved	Yes
Form	Concurrent Causation, Earth Movement & Water Exclusion Changes	Approved	Yes
Form	Terrorism Endorsement	Approved	Yes
Form	Hired and Non-Owned Auto Liability	Approved	Yes
Form	Causes of Loss-Broad Form -Flood	Approved	Yes
Form	Causes of Loss -Earthquake	Approved	Yes
Form	Architects, Engineers and Surveyors Property Extension	Approved	Yes

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 Product Name: Connect  
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<b>Form</b>	Windstorm or Hail Business Income Special Deductible	Approved	Yes
<b>Form</b>	Exclusion of Coverage for Special Events	Approved	Yes
<b>Form</b>	Scheduled Property Coverage	Approved	Yes
<b>Form</b>	Contractor's Equipment Coverage	Approved	Yes
<b>Form</b>	Limited Pollution Liability Extension	Approved	Yes
<b>Form</b>	Businessowners Special Property Coverage Form	Approved	Yes
<b>Form</b>	Additional Insured-Designated Person or Organization	Approved	Yes
<b>Form</b>	Personal Property of Others- Special Form	Approved	Yes
<b>Form</b>	Back-Up of Sewers and Drains	Approved	Yes
<b>Form</b>	Transportation Coverage- Special Form	Approved	Yes
<b>Form</b>	Transportation Coverage-Deluxe Form	Approved	Yes
<b>Form</b>	Businessowners Liability Coverage Form	Approved	Yes
<b>Form</b>	Technology Choice Endorsement	Approved	Yes
<b>Form</b>	Employment Practices Liability Coverage Form	Approved	Yes
<b>Form</b>	Arkansas Changes	Approved	Yes

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Liability  
Product Name: Connect  
Project Name/Number: Connect /0000

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 09/26/2007  
Submitted Date 09/26/2007  
Respond By Date 10/15/2007

Dear Roberta F. Cooper,

Form: SB-146801-C Businessowners Special Property Coverage Form

The appraisal clause(s) found in this filing should be amended to comply with Ark. Code Ann. 23- 79-203 and Arkansas Bulletin No. 19-89. The clause(s) must specifically state it is non-binding and voluntary.

The applicable provision of the Arkansas Statute of Limitations of the Arkansas General Code, allows five (5) years in which to commence litigation for this insurance contract. You may amend by extending the time limit to five (5) years or by stating, within the time allowed by law.

Please feel free to contact me if you have questions.

Llyweyia Rawlins  
Certified Rate and Form Analyst  
Property and Casualty Division  
501-371-2809 Fax 501-371-2748  
Email: Llyweyia.rawlins@arkansas.gov

Sincerely,  
Llyweyia Rawlins

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 10/01/2007  
Submitted Date 10/01/2007

Dear Llyweyia Rawlins,

SERFF Tracking Number: CNAB-125264766 State: Arkansas  
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 Liability  
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**Comments:**

**Response 1**

Comments: Dear Ms. Rawlings,

Please accept the attached response letter from Pattie Obrzut Also be aware that I am attaching our check in the amount of #250 to cover the filing fees

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Response Letter

Comment:

**Form Schedule Item Changes**

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Arkansas Changes	SB-146915-B	07-2007	Endorsement/AmendmentNew /Conditions			0	arkansas changes sb146915 b.pdf

No Rate/Rule Schedule items changed.

Sincerely,  
 Roberta Cooper

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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Passport Access Endorsement	SB-300149-A	01-07	Endorsement/Amendment/Conditions	New	0.00	SB-300149-A (Revised 8-6-7)0001.pdf
Approved	Hired auto Physical Damage Coverages	Sb-300148-A	01-07	Endorsement/Amendment/Conditions	New	0.00	SB-300148-A0001.pdf
Approved	Carpet, Rug, Furniture and Upholstery Cleaning customers Property Endorsement	SB-300160-A	01/07	Endorsement/Amendment/Conditions	New	0.00	SB-300160-A0001.pdf
Approved	Exclusion-Testing or Consulting Errors and Omissions	SB-300156-A	01/07	Endorsement/Amendment/Conditions	New	0.00	SB-300156-A0001.pdf
Approved	Exclusion - Subsidence (AZ, CA, CO, NY ) Exclusion - Subsidence-residential (All other States)	SB-300166-A	01/07	Endorsement/Amendment/Conditions	New	0.00	SB-300166-A0001.pdf
Approved	Exclusion - Construction Wrap-Up Program	Sb-300451-A	01/07	Endorsement/Amendment/Conditions	New	0.00	SB-300451A0001.pdf
Approved	Exclusion - Designated	SB-300168-A	01/07	Endorsement/Amendment	New	0.00	SB-300168-A0001.pdf

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Operations Covered by a Consolidated (Wrap-UP) Insurance Program	ent/Condi ons					
Approved Condominium Association Coverage	SB-300172-A	01/07	Endorsement/Amendment/Conditions	New	0.00	SB-300172-A0001.pdf
Approved Fiduciary Liability Coverage Form	SB-300441-A	01/07	Policy/Coverage Form	New	0.00	SB-300441-A0001.pdf
Approved Employment Related Practices Liability Coverage Form	SB-300450-A	01/07	Policy/Coverage Form	New	0.00	SB-300450-A0002.pdf
Approved Single Limit of Insurance Endorsement for Employment Practices/Fiduciary Liability Coverage Forms	SB-300449-A	01/07	Policy/Coverage Form	New	0.00	SB-300449-A0001.pdf
Approved Concurrent Causation, Earth Movement & Water Exclusion Changes	SB-300456-A	07/07	Endorsement/Amendment/Conditions	New	0.00	SB-300456-A Causation Form0001.pdf
Approved Terrorism Endorsement	SB-300146-B	10/06	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 Previous Filing #:	SB-300146-B0001.pdf
Approved Hired and Non-Owned Auto Liability	Sb-146902-B	01/07	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 Previous Filing #:	SB-146902-B0001.pdf
Approved Causes of Loss-	SB-	01/07	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00	SB-146853-

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	Broad Form - Flood	146853-C		nt/Amendm ent/Condi ons	Previous Filing #:	C0001.pdf
Approved	Causes of Loss - Earthquake	SB-146849-B	01/07	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 Previous Filing #:	SB-146849-B0001.pdf
Approved	Architects, Engineers and Surveyors Property Extension	SB-300177-C	01/07	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 Previous Filing #:	SB-300177-C0001.pdf
Approved	Windstorm or Hail Business Income Special Deductible	SB-146870-B	01/07	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 Previous Filing #:	SB-146870-B0001.pdf
Approved	Exclusion of Coverage for Special Events	SB-300081-B	01/07	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 Previous Filing #:	SB-300081-B0001.pdf
Approved	Scheduled Property Coverage	SB-146986-B	01/07	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 Previous Filing #:	SB-146986-B0001.pdf
Approved	Contractor's Equipment Coverage	SB-300038-B	01/07	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 Previous Filing #:	SB-300038-B0001.pdf
Approved	Limited Pollution Liability Extension	SB-300014-B	01/07	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 Previous Filing #:	SB-300014-B0001.pdf
Approved	Businessowners Special Property Coverage Form	SB-146801-C	01/07	Policy/Cove rage Form	Replaced Form #:0.00 Previous Filing #:	SB-146801-C0001.pdf
Approved	Additional Insured-	SB-300113-B	01/07	Endorseme Replaced nt/Amendm	Replaced Form #:0.00	SB-300113-B0001.pdf

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Designated Person or Organization	ent/Conditions	Previous Filing #:	
Approved Personal Property of Others- Special Form	SB- 01/07 300041-B	Policy/Coverage Form Replaced	Replaced Form #:0.00 SB-300041-B0001.pdf
		Previous Filing #:	
Approved Back-Up of Sewers and Drains	SB- 01/07 146839-C	Endorsement/Amendment/Conditions	Replaced Form #:0.00 SB-146839-C0001.pdf
		Previous Filing #:	
Approved Transportation Coverage- Special Form	SB- 01/07 146893-B	Policy/Coverage Form Replaced	Replaced Form #:0.00 Sb-146893-B0001.pdf
		Previous Filing #:	
Approved Transportation Coverage-Deluxe Form	SB- 01/07 146892-B	Policy/Coverage Form Replaced	Replaced Form #:0.00 SB-146892-B0001.pdf
		Previous Filing #:	
Approved Businessowners Liability Coverage Form	SB- 01/07 300000-B	Policy/Coverage Form Replaced	Replaced Form #:0.00 SB-300000-B0001.pdf
		Previous Filing #:	
Approved Technology Choice Endorsement	SB- 01/07 147036-B	Endorsement/Amendment/Conditions	Replaced Form #:0.00 SB-147036-B0001.pdf
		Previous Filing #:	
Approved Employment Practices Liability Coverage Form	SB- 01/06 300008-A	Policy/Coverage Form Withdrawn	Replaced Form #:0.00
		Previous Filing #:	
Approved Arkansas Changes	SB- 07-2007 146915-B	Endorsement/Amendment/Conditions	New 0.00 arkansas changes sb146915b.pdf





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

**PASSPORT ACCESS<sup>SM</sup> ENDORSEMENT**

This endorsement modifies insurance provided under the following:

- BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
- BUSINESSOWNERS LIABILITY COVERAGE FORM
- BUSINESSOWNERS COMMON POLICY CONDITIONS

Various provisions in this endorsement restrict coverage. Read the entire endorsement carefully to determine rights, duties and what is and is not covered. Words and phrases that appear in quotation marks have special meaning refer to the definition(s) listed within the coverage part below or Section G of the Businessowners Special Property Coverage Form for the additional property coverages and Section F of the Businessowners Liability Coverage Form for the liability coverages.

**Schedule of Coverage**

<b>Coverage</b>	<b>Limits of Insurance</b>
International Business Personal Property	\$10,000
International Confiscation, Expropriation, or Nationalization Coverage	\$10,000
Businessowners Liability Coverage	Expanded Coverage Territory
Automobile Difference in Conditions and Excess Liability	\$1,000,000
International Kidnap and Ransom/Wrongful Detention Coverage	\$25,000

**A. The BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM, ADDITIONAL COVERAGES AND COVERAGE EXTENSIONS are changed as follows:**

1. The following Additional Coverage is added:

**International Business Personal Property Coverage:**

When a limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to such property caused by or resulting from a Covered Cause of Loss while:

- a. Anywhere in the world except the United States, its territories and possessions, Puerto Rico, Canada and any country or jurisdiction which is the subject of trade or economic embargoes imposed by the

regulations of the United States of America.

b. The most we will pay under this Additional Coverage in aggregate, during each separate 12 month period of this policy beginning with the effective date of this policy, is \$10,000.

c. This coverage is subject to the policy level deductible.

d. The Additional Coverage does not apply to property:

- 1. While in the custody of a mail service;
- 2. Rented or leased to others;
- 3. After delivery to customer;
- 4. Temporarily at a premises for more than 60 consecutive days.

e. Additional Property Not Covered:

- 1. "Money" or "Securities".



The following Additional Coverage is added:

## 2. International Confiscation, Expropriation, or Nationalization Coverage:

We will indemnify you against loss sustained to "personal property" during the policy period:

Anywhere in the world except the United States, its territories and possessions, Puerto Rico, Canada and any country or jurisdiction which is the subject of trade or economic embargoes imposed by the regulations of the United States of America, and as a direct result of "expropriatory action," subject to the Limit of Liability stated below.

This coverage is subject to a "waiting period" of 120 days from the "date of loss" before payment will be made. Valuation of loss shall be at actual cash value of property at the time of the sustained loss.

The most we will pay under this Additional Coverage in aggregate, during each separate 12 month period of this policy beginning with the effective date of this policy is \$10,000.

### a. Discovery Period

This policy does not cover any loss described above, unless such loss occurs or is communicated directly or indirectly to you prior to the effective date of termination of coverage and is discovered by you and communicated to us in writing prior to one year after the effective date of the termination of this policy in its entirety.

### b. Definitions

For those terms not specifically defined in this Coverage Section, the definitions in Section G of the Businessowners Special Property Coverage Form shall apply.

1. **"Date of loss"** means the date during the policy period from which the "waiting period" begins and on which the occurrence resulting in loss first happens.
2. The Definition of "employee", item 9. in **Section G – Definitions** of the Businessowners Special Property Coverage Form is amended by the addition of the following:

**"Employee"** means a citizen or resident of the United States who is hired by you. This includes an employee who normally works in the United States and is temporarily outside the United States, includes a "leased worker." "Employee" does not include a "temporary worker."

**"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."

**"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.

3. **"Expropriatory action"** means any action, commencing during the policy period, of confiscation, expropriation, forced abandonment, nationalization, deprivation, or requisition which is directed, authorized, or ratified by the government of the country, and continues consecutively throughout the "waiting period" to directly, effectively, arbitrarily and significantly deny or preclude you from exercising control over the use or disposition of a substantial portion of your property.
4. **"Personal Property"** means property other than money, securities, financial instruments and valuable papers, which belongs to an "employee" or to you and is used in connection with your business.
5. **"Waiting period"** means the consecutive period of time, beginning with the date of loss or the date of expropriation, which is required to expire before any action taken or sustained will be deemed to have become a loss.

### c. Exclusion

This coverage does not apply to any written and/or oral contract and/or agreement between you and any government, governmental body or sovereign power as respects payments and/or non-payment of any contract and/or agreement.



**B. The BUSINESSOWNERS LIABILITY COVERAGE FORM is changed as follows:**

1. Paragraph 4. of **Section F – Liability and Medical Expense Definitions** is replaced by:

“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 of transportation between any places included in Paragraph a. above; or
- c. All other parts of the world except any country or jurisdiction which is the subject of trade or economic embargoes imposed by the regulations of the United States of America, 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 Paragraphs 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.

2. The following is added to Paragraph 1. of **Section B – Exclusions:**

**q. Foreign Based Operations**

- 1) Construction, fabrication, erection or installation operations outside the territory described in paragraph a, of definition 4. “Coverage Territory” in Section F. Liability and Medical Expenses Definitions.
- 2) The manufacturing of goods or products outside the territory described in paragraph a, of definition 4. “Coverage Territory” in Section F. Liability and Medical Expenses Definitions.
- 3) The sale or distribution of goods or products manufactured outside the territory described in paragraph a, of

definition 4. “Coverage Territory” in Section F. Liability and Medical Expenses Definitions.

3. The following is added to **Section E – Businessowners General Liability Conditions:**

7. This policy is not a substitute for any insurance required by any country/locality. Failure of the Named Insured to comply with any country/local requirement will not invalidate the coverage afforded by this policy; but in the event of such failure, we will be obligated under this policy only to the extent that we would have been obligated had the Named Insured complied with the country/local requirement.

4. The following is added to Coverages (Section A):

The following provisions of this endorsement apply only as respects to:

**Automobile Difference in Conditions and Excess Liability:**

**a. Coverage A – Bodily Injury and Property Damage Liability** applies to “bodily injury” and “property damage” arising out of the maintenance or use of a “hired auto” caused by or resulting from a Covered Cause of Loss while:

1. Anywhere in the world except the United States, its territories and possessions, Puerto Rico, Canada and any country or jurisdiction which is the subject of trade or economic embargoes imposed by the regulations of the United States of America.

**b. Exclusions**

With respect to the insurance provided by this endorsement:

1. The exclusions, under **Coverage A – Bodily Injury and Property Damage Liability**, other than exclusions a., b., d., e., f. and i. and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and replaced by the following:



- a. "Bodily injury" to:
- (1) Any fellow "employee" of the insured arising out of and in the course of:
    - (a) Employment by the insured; or
    - (b) Performing duties related to the conduct of the insured's business.

- b. "Property Damage" to:
- (1) Property owned or being transported by, or rented or loaned to the insured;
- Or
- (2) Property in the care, custody or control of the insured.

**c. Who Is An Insured**

**Who Is An Insured** is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

1. You;
2. Anyone else including any partner or "executive officer" of yours while using with your permission a "hired auto" except:
  - a. The owner or lessee (of whom you are a sub-lessee) of a "hired auto" or any agent or "employee" of any such owner or lessee.
  - b. Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household;
  - c. Your "employee" if the covered "auto" is leased, hired or rented by him or her or a member of his or her household under a lease or rental agreement for a period of 60 days or more;
  - d. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
  - e. Any partner or "executive officer" with respect to any "auto" leased or rented to such partner or officer or a member of his or her household under a lease or rental agreement for a period of 60 days or more;

- f. Any person while employed in or otherwise engaged in duties in connection with an "auto business," other than an "auto business" you operate;
- g. Anyone other than your "employees," partners, a lessee or borrower or any of their "employees," while moving property to or from a "hired auto"

**d. Limits of Insurance**

1. Regardless of the number of:
  - a. Insured's;
  - b. Claims made or "suits" brought;
  - c. Persons or organizations making claims or bringing "suits"; or
  - d. "Autos"

The Hired Auto Limit of Insurance is \$1,000,000. This is the most we will pay for damages under **SECTION A. Coverages** because of all "bodily injury" or "property damage" arising out of the maintenance or use of a:

2. "Hired auto" by you or your "employees" in the course of your business.

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

- e. **Condition H. – OTHER INSURANCE** of the Businessowners Common Policy Conditions is deleted and replaced by the following:

**Other Insurance**

This insurance is excess over any other valid and collectible insurance available to you as well as excess over any local statutory required limits.

**f. Amended Definitions**

1. The Definition of "insured contract", item 9. in **Section F – Definitions** of the Businessowners Liability Coverage Form is amended by the addition of the following exceptions to paragraph f.:

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

- (3) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees," if the "auto" is loaned, leased or rented with a driver; or
- (4) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

2. The Definition of "employee", item 5. in **Section F – Definitions** of the Businessowners Liability Coverage Form is amended by the addition of the following:

**"Employee"** means a citizen or resident of the United States who is hired by you. This includes an employee who normally works in the United States and is temporarily outside the United States.

**g. Additional Definitions**

**Section F. Definitions** is amended by the addition of the following definitions:

**"Hired auto"** means any "auto" you lease, hire, rent or borrow. This does not include:

1. Any "auto" you lease, hire or rent under a lease or rental agreement for a period of 60 days or more, or
2. Any "auto" you lease, hire, rent or borrow from any of your "employees," partners, stockholders, or members of their households.

**Part IV – Definitions**

- a. The Definition of "employee", item 5. in **Section F – Definitions** of the Businessowners Liability Coverage Form is amended by the addition of the following: **"Employee"** means a citizen

or resident of the United States who is hired by you. This includes an employee who normally works in the United States and is temporarily outside the United States.

**5. The following is added to Coverages (Section A):**

The following provisions of this endorsement apply only as respects to:

**INTERNATIONAL KIDNAP AND RANSOM/WRONGFUL DETENTION COVERAGE****a. Kidnap and Ransom**

We will reimburse you for "ransom monies" and expenses paid by you or "insured person(s)" resulting directly from the "kidnapping" of an "insured person(s)" occurring during the policy period, while in the "coverage territory".

**b. Wrongful Detention**

We will reimburse you for the expenses resulting from the "wrongful detention" of an "insured person(s)" occurring during the policy period, while in the "coverage territory".

The total policy aggregate limit of insurance for this coverage and for coverage A and coverage B above, separately and/or combined, is the applicable Limit of Insurance shown below.

**c. Limit of Insurance**

The total policy aggregate limit of insurance for this coverage is the applicable Limit of Insurance shown below.

The most we will pay under this Additional Coverage in aggregate, during each separate 12 month period of this policy beginning with the effective date of this policy, is \$25,000.

#### d. Discovery Period

This Coverage Part does not cover:

- (1) Kidnap and Ransom, and/or
- (2) Wrongful Detention, unless such act(s) occurs and is (are) communicated directly or indirectly to you or an "insured person(s)" prior to the effective date of termination of coverage and is discovered by you and communicated to us in writing prior to one year after the effective date of the termination of this policy in its entirety.

#### e. Expenses

We will reimburse you for the following expenses incurred as a direct result of a "kidnapping" or "wrongful detention" provided that such "kidnapping" or "wrongful detention" is insured.

1. Reasonable fees and expenses of independent security consultants, provided that we have given our prior consent to the use of such independent security consultants;
2. Reasonable fees and expenses of public relations or recall consultants, provided we have given our prior consent to the use of such public relations or recall consultants;
3. Travel costs of a "kidnap" or "wrongful detention" victim to join their immediate family, upon their release including travel costs of one family member to join and escort such victim from place of release or reasonable location;
4. Reasonable and necessary fees and expenses of a qualified interpreter assisting you or "insured person(s)" in the event of a "kidnapping", "wrongful detention"; and/or;

Any other reasonable and necessary expense incurred by you with our prior approval.

The total policy aggregate limit of insurance for this Coverage Part is inclusive of all legal fees, loss adjustment costs and any other related expenses and serves to reduce the limit of liability available by the amount of the incurred expenses.

#### f. Definitions

The following words, when used in this Coverage Part, have the meaning set forth below:

1. **"Advisory"** means a formal recommendation of the "appropriate authorities" that the "insured person(s)" specifically leave a host country or generally that a class of person(s) which include an "insured person(s)" leave such country.
2. **"Appropriate authorities"** means the United States State Department, the Foreign Office of Canada, the Foreign Office of the United Kingdom, or similar authority of the country listed in the Declarations.
3. **"Coverage territory"** means anywhere in the world except the United States, its territories and possessions, Puerto Rico, Canada and any country or jurisdiction which is the subject of trade or economic embargoes imposed by the regulations of the United States of America.
4. The Definition of "employee", item 5. in **Section F – Definitions** of the Businessowners Liability Coverage Form is amended by the addition of the following:  
**"Employee"** means a citizen or resident of the United States who is hired by you. This includes an employee who normally works in the United States and is temporarily outside the United States.
5. **"Insured person(s)"** means you (if natural or legal person, sole proprietorship, or partnership) listed in the Declarations, any director, officer or "employee" of yours, including a "relative" of such person, who has accompanied the director, officer or "employee".
6. **"Kidnapping"** means any unlawful event or connected series of events of seizing, detaining or carrying away by force, of one or more "insured person(s)" (except a minor by the parent(s) thereof) by person(s) for the purpose of demanding "ransom monies".

7. **“Ransom monies,”** means any monies which you or the “insured person(s)” has paid or delivered (or attempted to deliver to perpetrators or purported perpetrators of a “kidnapping”) as a direct result of a “kidnapping”. The term **“monies”** as used herein includes cash, monetary instruments, bullion, or the fair market value of any securities, property or services.

8. **“Relative”** means a spouse, child, stepchild, legally adopted child, foster child, spouse of a married child, grandchild, sister, brother, parent, parent-in-law, grandparent, grandparent-in-law, adoptive parent, step-parent and siblings of living ancestors or legitimate descendants of any “insured person”.

9. **“Wrongful detention”** means the unlawful and intentional act of detaining or retaining a person and preventing the removal of such person by force or threat of force.

**g. Conditions Precedent to Liability**

1. As a condition precedent to our liability under Insuring Agreement, you will have approved the payment of “ransom monies”. We take no responsibility with respect to your approval (or nonapproval) of the payment of “ransom monies”, which approval is solely within your authority and discretion.
2. In the event of a “kidnapping” or “wrongful detention” of an “insured person(s)” during the policy period, and in the case of a “kidnapping” prior to the payment of “ransom monies”, the “insured” will make every reasonable effort to:
  - a. Determine that the “kidnapping” or “wrongful detention” has actually occurred; and
  - b. Give immediate oral and written notice to us with periodic and timely updates concurrent with activity occurring during the incident; and

- c. If it appears to be in the best interest of you or “insured person(s)”, notify the national or other appropriate law enforcement agency having jurisdiction over the matter.

**h. Exclusions**

We will not be liable for loss caused by or resulting either directly or indirectly from:

1. The fraudulent, dishonest, or criminal acts of you, other “insured person(s)”, or any person authorized by you to have custody of “ransom monies”. This exclusion will not apply to the payment of “ransom monies” by you or “insured person(s)” in a situation where local authorities have declared such payment illegal; or
2. “Monies” or property surrendered away from the Premises in any face-to-face encounter involving the use or threat of force or violence unless surrendered by a person in possession of such “monies” at the time of such surrender for the sole purpose of conveying it to pay a demand for “ransom monies” previously communicated to you or “insured person(s)”; or
3. “Monies” or property surrendered on the Premises unless brought onto the Premises after receipt of the demand for “ransom monies” for the purpose of paying such demand; or
4. As respects “wrongful detention” only:
  - a. Any actual or alleged violation of the laws of the host country by you or “insured person(s)”, or failure of you or “insured person(s)” to maintain and possess duly authorized and issued required documents and visas, unless we determine that such allegations were intentionally false, fraudulent and malicious and made solely to achieve a political, propaganda, or coercive effect upon or at the expense of you or “insured person(s)”; or



- b. You or "insured person(s)" failure to evacuate from the host country within ten (10) days after issuance of an "advisory" by the "appropriate authorities" or travel to country(ies) after an "advisory" has been issued;
- c. You or "insured person(s)" taking part in the operations of any governmental organization, official law enforcement, or military force.

You agree to reimburse us for any payments made hereunder by us, which are alternately determined not to be covered because of the application of any of these exclusions.

**i. Additional General Conditions**

**1. Confidentiality**

You and "insured person(s)" will use all reasonable efforts not to disclose the existence of the coverage. This condition will also apply to any excess or other insurance.

**2. Due Diligence**

The "insured person(s)" will use due diligence and does concur in doing all things reasonably practicable to avoid or diminish any losses insured under this Coverage Part.

**3. Condition H. – OTHER INSURANCE** of the Businessowners Common Policy Conditions is deleted and replaced by the following:

**Other Insurance**

If you purchase any other insurance providing valid or collectible insurance against a loss covered by this insurance, the insurance under this Coverage Form shall be excess insurance over any such other insurance.



**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.**

**HIRED AUTO PHYSICAL DAMAGE COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS LIABILITY COVERAGE FORM**

**The following provisions of this endorsement apply only as respects Hired Auto Physical Damage Coverage. All other terms and conditions remain unchanged.**

I. The following is added to Section **A. Coverages**:

**3. Hired Auto Physical Damage**

We will pay for "loss" to a covered "hired auto" or its equipment from any cause.

We will also cover loss of use of a covered "hired auto" if it results from an accident, you are legally liable, and the lessor incurs an actual financial loss, subject to a maximum of \$1,000 per accident.

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

c. We will not pay for "loss" to any covered "hired auto" while used in professional or organized racing or demolition contest or stunting activity, or while practicing for such a contest or activity. We will also not pay for "loss" to any covered "hired auto" while that covered "hired auto" is being prepared for such a contest or activity.

II. The following is added to Section **B. Exclusions**:

**4. Applicable to Hired Auto Physical Damage Coverage**

We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

**a. Nuclear Hazard**

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

**b. War or Military Action**

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

d. We will not pay for "loss" to any of the following:

- (1) Tape decks or other sound producing equipment unless permanently installed in "hired auto";
- (2) Tapes, records, disks or other similar audio visual or data electronic devices designed for use with audio, visual or data electronic equipment;
- (3) Sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "hired auto" manufacturer for the installation of a radio; or
- (4) Equipment designed or used for the detection or location of radar.

e. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:

- (1) Wear and tear, freezing, mechanical or electrical breakdown; or
- (2) Blowouts, punctures or other road damage to tires.

III. Section C. **Who Is An Insured** does not apply.

IV. Section D. **Liability And Medical Expenses Limits of Insurance** is deleted in its entirety and replaced with the following.

#### D. Limits of Insurance

The most we will pay for "loss" in any one accident is the lesser of:

1. The actual cash value of the damaged or stolen property as of the time of the "loss";
2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or
3. \$75,000.

#### Deductible

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the \$250 deductible for each covered "auto". We will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance.

V. SECTION E. **Businessowners General Liability Conditions** is deleted in its entirety and replaced with the following:

#### E. Conditions

##### 1. Loss Conditions

###### a. Appraisal

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party

will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- (1) Pay its chosen appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally. If we submit to an appraisal, we will still retain our right to deny the claim.

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

##### b. Duties in the Event of Loss

(1) In the event of "loss", you must give us or our authorized representative prompt notice of the "loss". The notice shall include:

- (a) How, when and where the "loss" occurred; and
- (b) To the extent possible, the names and addresses of any injured persons and witnesses.

(2) Additionally, you must:

- (a) Assume no obligation, make no payment or incur no expense without our consent, except at your own cost.
- (b) Cooperate with us in the investigation, settlement or defense of any "suit".
- (c) Promptly notify the police if the covered "hired auto" or any of its equipment is stolen.
- (d) Take all reasonable steps to protect the covered "hired auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (e) Permit us to inspect the covered "hired auto" and records proving



the "loss" before its repair or disposition.

- (f) Agree to examination under oath at our request and give us a signed statement of your answers.

**c. Legal Action Against Us**

No person or organization has a right under this policy:

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

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

**d. Loss Payment**

At our option we may:

- (1) Pay for, repair, or replace damaged or stolen property; or
- (2) Return the stolen property at our expense. We will pay for any damage that results to the "hired auto" from the theft; or
- (3) Take all or any part of the damaged or stolen property at an agreed or appraised value.

**2. General Conditions**

**a. Bankruptcy**

Bankruptcy or insolvency of the Named Insured or the Named Insured's estate will not relieve us of any obligations under this endorsement.

**b. Concealment, Misrepresentation or Fraud**

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

- (1) This endorsement;
- (2) The covered "hired auto";
- (3) Your interest in the covered "hired auto"; or
- (4) A claim under this endorsement.

**c. No Benefit to Bailee**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this endorsement.

**d. Other Insurance**

- (1) For any "hired auto", this endorsement provides primary insurance.
- (2) When this endorsement or any other endorsement provides coverage on the same basis, we will pay only our share. Our share is the proportion that the Limit of Insurance of this endorsement bears to the total of the limits of all the endorsements, coverage forms and policies providing coverage on the same basis.

**e. Policy Period, Coverage Territory**

Under this HIRED AUTO PHYSICAL DAMAGE COVERAGE ENDORSEMENT, we cover "losses" occurring:

- (1) During the policy period shown in the Declarations; and
- (2) Within the coverage territory.

The coverage territory is:



- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico; and
- (4) Canada.

We also cover "loss" to, a covered "hired auto" while being transported between any of these places.

**f. Transfer of Rights of Recovery Against Others to Us**

If any person or organization to or for which we make payment under this endorsement, has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to ensure our rights and must do nothing after "loss" to impair them.

The following are added to Section **F. Liability And Medical Expenses Definitions:**

"Hired auto" means any "auto" you lease, hire, rent or borrow which is used in connection with your business with a gross vehicle weight of 20,000 lbs or less. "Auto" includes a trailer with a load capacity of 2,000 lbs or less. However, this does not include any "auto" that you lease, hire, rent, or borrow:

- a. From any of your "employees", your partners, or your "executive officers" or members of their household, but only while used in your business or your personal affairs; or
- b. With a driver.

"Loss" means direct and accidental "loss" or damage.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**CARPET, RUG, FURNITURE, UPHOLSTERY CLEANING CUSTOMERS**  
**PROPERTY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM**

The Businessowners Special Property Coverage Form is changed as follows:

**1. The following is added to Paragraph A.6.:**

**Customers Property**

**a.** When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to real and personal property of your customers at their premises while in your care, custody or control.

**b.** Paragraph **A.4.b.(2)** does not apply to this Coverage Extension.

**c.** The following exclusions in Paragraph **B.** do not apply to this Coverage Extension:

**(1)** Paragraph **2.d.(7)(c)** (dealing with marring and scratching);

**(2)** Paragraph **3.c.(3)** (dealing with materials used in repair, construction, renovation or remodeling); and

**(3)** Paragraph **3.c.(4)** (dealing with maintenance).

**d.** With respect to this Coverage Extension, Paragraph **B.3.c.(2)** is replaced by the following:

**(2)** Design, specifications;

**e.** The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$50,000.

**f.** With respect to this endorsement only, Paragraph **D.** is replaced by the following;

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$500. We will then pay the amount of covered loss or damage in excess of \$500, up to the applicable Limit of Insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**EXCLUSION – TESTING OR CONSULTING ERRORS AND OMISSIONS**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS LIABILITY COVERAGE FORM**

The following exclusion is added to **Section B. Exclusions:**

**q. Testing or Consulting Errors and Omissions**

1. An error, omission, defect or deficiency in:

- a. Any test performed; or
- b. An evaluation, a consultation or advice given, by or on behalf of any insured;

2. The reporting of or reliance upon any such test, evaluation, consultation or advice, or;

3. An error, omission, defect or deficiency in experimental data or the insured's interpretation of that data.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****EXCLUSION – SUBSIDENCE (AZ, CA, CO, NV)  
EXCLUSION – SUBSIDENCE – RESIDENTIAL (All Other States)**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS GENERAL LIABILITY COVERAGE FORM****1. SUBSIDENCE EXCLUSION**

- A. The following exclusion is added to Paragraph **B.1. Exclusions applicable to Business Liability Coverage** and applies only to the states of Arizona, California, Colorado and Nevada:

This insurance does not apply to "property damage" included in the "products-completed operations hazard" arising out of the subsidence of land. This exclusion applies whether such "property damage" arises solely from subsidence or from subsidence in combination with other causes, whether natural or man made.

- B. With respect to this Paragraph 1. of this endorsement, subsidence means earth movement including but not limited to:

- a. Landslide;
- b. Mudflow;
- c. Earth sinking;
- d. Earth rising;
- e. Collapse or movement of fill;
- f. Improper compaction;
- g. Earth settling, slipping, falling away, caving in, eroding or tilting;
- h. Earthquake; or
- i. Any other movement of land or earth.

**2. SUBSIDENCE EXCLUSION – RESIDENTIAL**

- A. The following exclusion is added to Paragraph **B.1. Exclusions applicable to Business Liability Coverage** and applies to all states, counties or parishes designated in paragraph **2.C.** below, other than Arizona, California, Colorado or Nevada.

This insurance does not apply to "property damage" included in the "products-completed operations hazard" arising out of the subsidence of land and which involves the construction of residential structures. This exclusion applies whether such "property damage" arises solely from subsidence or from subsidence in combination with other causes, whether natural or man made.

- B. As used in this Paragraph 2. of this endorsement:

1. Subsidence means earth movement including but not limited to:
  - a. Landslide;
  - b. Mudflow;
  - c. Earth sinking;
  - d. Earth rising;
  - e. Collapse or movement of fill;
  - f. Earth settling, slipping, falling away, caving in, eroding or tilting;
  - g. Earthquake; or
  - h. Any other naturally occurring movement of land or earth.
2. Residential structure means any structure where 30% or more of the square foot area is used or is intended to be used for human residency including but not limited to single or multifamily housing, apartments, condominiums, townhouses, co-operatives or planned unit developments and also includes their common areas and/or appurtenant structures (including pools, hot tubs, detached garages, guest houses or any similar structures). When there is no individual ownership of units, residential structure does not include military housing, college/university housing or dormitories, long term care facilities, hotels, or motels. Residential structure also does not include hospitals or prisons.
3. Construction means any and all aspects of the erection of structures, including but not limited to design, site preparation, specifications, planning, building, materials, supervision or observation of construction. Construction also includes new construction, conversion, reconstruction, rehabilitation, renovation, remodeling, repair, maintenance or demolition.



**C. This Paragraph 2. of this endorsement, applies only to the following states, counties or parishes:**

#####  
#####  
#####

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

**EXCLUSION – CONSTRUCTION WRAP-UP PROGRAM**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS GENERAL LIABILITY COVERAGE FORM**

This insurance does not apply to:

“Bodily injury”, “property damage” or “personal and advertising injury” arising out of any current or completed operation performed by you or on your behalf which is or was insured under an Owner Controlled Insurance Program (O.C.I.P.) or Contractor Controlled Insurance Program (C.C.I.P.), otherwise referred to as a “consolidated (wrap-up) insurance program”.

This exclusion applies whether or not the “consolidated (wrap-up) insurance program”:

1. Provides coverage identical to that provided by this Coverage Part;
2. Has limits adequate to cover all claims; or
3. Remains in effect.

“Consolidated (wrap-up) insurance program” means a construction, erection or demolition project for which the prime contractor/project manager or owner of the construction project has secured general liability insurance covering some or all of the contractors or subcontractors involved in the project.

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

## **EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS GENERAL LIABILITY COVERAGE FORM**

### **SCHEDULE**

#### **Description and Location of Operation(s):**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph **B.1. Exclusions Applicable to Business Liability Coverage:**

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or

owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

- (1)** Provides coverage identical to that provided by this Coverage Part;
- (2)** Has limits adequate to cover all claims; or
- (3)** Remains in effect.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**CONDOMINIUM ASSOCIATION COVERAGE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM  
BUSINESSOWNERS LIABILITY COVERAGE FORM  
BUSINESSOWNERS COMMON POLICY CONDITIONS

**A. Paragraph A.1.a. Building** in the Businessowners Special Property Coverage Form is replaced by the following:

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

- (1) Completed additions;
- (2) Fixtures, outside of individual units, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and
- (6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:
  - (a) Fixtures, improvements and alterations that are a part of the building or structure; and

**(b) Appliances**, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in paragraph **A.1.a.(6)** above.

**B. Paragraph A.1.b. Business Personal Property** in the Businessowners Special Property Coverage Form is replaced by the following:

**b. Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:

- (1) Personal property owned by you or owned indivisibly by all unit-owners;
- (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;
- (3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.

Business Personal Property does not include personal property owned only by a unit-owner, unless it is in your care, custody or control as covered below.

This also includes property of others that is in your care, custody or control; except as otherwise provided in Loss Payment – Building and Personal Property **E.4.e.(3)**.

**C. The following is added to E.4. Loss Payment Building and Personal Property** in the Businessowners Special Property Coverage Form:

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

D. The following is added to **E. Property Loss Conditions:**

**12. Unit-Owner's Insurance**

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary, and not to contribute with such other insurance.

E. The following is added to Paragraph **C – Who is an Insured of the Businessowners Liability Coverage Form:**

4. Each individual unit-owner of the insured condominium, but only for liability arising out of the own-

ership, maintenance or repair of that portion of the premises which is not reserved for that unit-owner's exclusive use or occupancy.

F. The following is added to **K. Transfer Of Rights Of Recovery Against Others To Us** in the Businessowners Common Policy Conditions:

**3. Waiver of Rights of Recovery**

We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.

## FIDUCIARY LIABILITY COVERAGE FORM

THIS IS A CLAIMS MADE COVERAGE FORM. PLEASE READ ALL PROVISIONS AND CONTACT YOUR AGENT IF YOU HAVE ANY QUESTIONS. THIS INSURANCE APPLIES ONLY TO "WRONGFUL ACTS" THAT OCCUR BETWEEN THE RETROACTIVE DATE AND THE END OF THE "POLICY PERIOD". THIS INSURANCE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE INSURED AFTER THE INCEPTION DATE AND BEFORE THE END OF THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD AND REPORTED TO US IN ACCORDANCE WITH THE PROVISIONS OF THIS FORM. UPON TERMINATION OF YOUR POLICY AN AUTOMATIC EXTENDED REPORTING PERIOD WILL BE PROVIDED, AND A SUPPLEMENTAL EXTENDED REPORTING PERIOD WILL BE AVAILABLE.

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

Throughout this Coverage Form the terms "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 terms "we," "us" and "our" refer to the Stock Insurance Company named on the Declarations 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 III – Definitions.

### SECTION I – INSURING AGREEMENTS

#### A. Coverage

We will pay those sums in excess of the deductible and subject to the limits of liability that the Insured becomes legally obligated to pay as "damages" because of a claim resulting from a "wrongful act" provided:

1. The "wrongful act" takes place in the "coverage territory";
2. The "wrongful act" did not occur before the Retroactive Date, if any, shown in the Declarations nor after the end of the "policy period"; and
3. A "claim" arising out of a "wrongful act" is first made against an insured, during the "policy period" or Extended Reporting Period, if applicable and is reported to us in accordance with Section VIII, Conditions, paragraph C, Duties in the event of a "Claim"; and
4. Prior to the inception date of this Coverage Form:
  - a. The Insured did not give notice to a prior insurer of a "related claim";
  - b. The Insured did not give notice to a prior insurer of any such "wrongful act" or "interrelated wrongful act".

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under paragraph 1.D. – **Supplementary Payments**

#### B. Defense

We have the right and duty to defend all "suits," even if the allegations are groundless, false or fraudulent. We shall have the right to appoint counsel and to make such investigation and defense of a "suit" as we deem necessary. Alternatively we may, at our option, give our written consent to the defense of any such "suit" to the insured. Our obligation to defend any "suit" or pay any "damages" and "defense expenses" for any "claim" shall be completely fulfilled and extinguished if the limit of insurance has been exhausted by payment of "damages" or "defense expenses."

#### C. Consent To Settle

We shall not settle a "claim" without your written consent. If you refuse to consent to a settlement or compromise recommended by us, and acceptable to the claimant, then the applicable limit of insurance under this Coverage Form shall be reduced to the amount for which the "claim" could have been settled plus all "defense expenses" incurred up to the time we made our recommendation.

#### D. Supplementary Payments

We will pay, with respect to any "claim" or "suit" we investigate or settle, or any "suit" against an insured we defend all "defense expenses". These payments

are included within and reduce the Limits of Insurance.

a "suit" on the merits brought in the territory described in Paragraph 1. above or in a settlement of a "claim" that we agree to.

## SECTION II – WHO IS AN INSURED

- A.** If you are designated in the Declarations as:
1. A partnership or joint venture, you are an insured. Your partners or members are also insureds.
  2. A limited liability company, you are an insured. Your members and managers are also insureds.
  3. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your directors, officers and trustees are also insureds.
- B.** Your "plans" and their employees, directors, officers and trustees are also insureds.
- D.** Your employees are also insureds, unless otherwise excluded in this policy.
- E.** 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 no other similar insurance applies to that organization. You must notify us of such acquisition or formation as soon as practicable. However, coverage under this provision:
1. Is afforded only until the 90th day after you acquire or form the organization, or until the end of the "policy period," whichever is earlier; and
  2. Does not apply to 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 – DEFINITIONS

The following defined words shall have the same meaning throughout this Coverage Form, whether expressed in the singular or the plural.

- A.** "Claim" means:
1. A "suit"; or
  2. A written demand for monetary or non-monetary damages made against an insured, arising out of a "wrongful act,"
- B.** "Coverage territory" means:
1. The United States of America (including its territories or possessions) and Puerto Rico; or
  2. All parts of the world if the "insured's" responsibility to pay "damages" is determined in

- C.** "Damages" means sums, settlements, judgments (including any award of pre-judgment and post-judgment interest) for which you are legally obligated to pay on account of a covered "claim." "Damages" shall not include:
1. Any taxes, sanctions, criminal or civil fines, or penalties imposed by law other than:
    - a. The five percent or less or the twenty percent or less penalty imposed upon an insured as a Fiduciary under Section 502(i) or 502(l) of ERISA;
    - b. Those civil fines or penalties imposed under 42 USC 1320d-5(a) the Health Insurance Portability and Accountability Act of 1996 provided however that our maximum limit of insurance for all such fines and penalties shall be \$10,000 in the aggregate, regardless of the number of "claims" made or Insureds covered under this Coverage Form. This sublimit of insurance is part of and not in addition to the limit of insurance set forth on the Declarations.
  2. Any amount for which an "insured person" is absolved from payment by reason of any covenant, agreement or court order;
  3. Any matters deemed uninsurable under the law pursuant to which this Policy is construed.

Notwithstanding anything to the contrary above, "damages" shall include punitive or exemplary damages, if insurable, to the fullest extent permitted by any applicable law. Where you reasonably determine that punitive, exemplary or multiple damages are insurable under any applicable law, we shall not challenge that determination of insurability..

- D.** "Defense expenses" means all fees charged by attorneys designated by us, or by you, with our written consent and all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a "claim" if incurred by us or you with our written consent, including the costs of appeal, attachment or similar bonds. We have no obligation to provide such bonds. "Defense Expenses" shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers, and employees of yours.
- E.** "Domestic Partner" means any person qualifying as such under any federal, state or local laws or under your employee benefit plans.

- F. "ERISA or any Similar Act"** means the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of the United States, Canada or their states, territories or provinces or any other jurisdiction anywhere in the world.
- G. "Executive officer"** means your chairperson, chief executive officer, president, chief financial officer and in-house general counsel;
- H. "Insured Persons"** means all of those natural person insureds who are your partners, trustees, members, managers, "executive officers", directors and employees
- I. "Interrelated Wrongful Acts"** means any "wrongful acts" which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.
- J "Pension Plan"** means any employee pension benefit plan as defined in 29 U.S.C. §1002 subject to regulation under "ERISA or any Similar Act." Pension plan" shall not include an excess benefit plan as defined in 29 U.S.C. §1002 or an employee stock ownership plan as defined in 26 U.S.C. §4975.
- K. "Plan"** means:
- a. Any "welfare plan" which was, is now, or hereafter becomes, sponsored solely by you, or sponsored jointly by you and a labor organization, solely for the benefit of your employees;
  - b. Any "pension plan" which was, on or prior to the effective date of this Policy, sponsored solely by you, or sponsored jointly by you and a labor organization, solely for the benefit of your employees;
  - c. Any "pension plan" which, after the effective date of this Policy, becomes sponsored solely by you, or jointly by you and a labor organization, solely for the benefit of your employees, if and to the extent coverage with respect such "pension plan" is afforded pursuant to Section XIV.1 of the General Terms & Conditions of this Policy; or
  - d. Any government-mandated insurance for workers' compensation, unemployment, social security or disability benefits for employees of Named Company or any Subsidiary.
- L. Welfare Plan** means any employee welfare benefit plan as defined in 29 U.S.C. §1002 subject to regulation under ERISA or any Similar Act. Welfare Plan shall not include an excess benefit plan as defined in 29 U.S.C. §1002.
- M. "Policy Period"** means the period from the effective date of this Coverage Form to the expiration date stated on the Declarations, or its earlier cancellation date.
- N. "Pollutants"** means any substance exhibiting hazardous characteristics as, is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. "Pollutants" also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products or any noise.
- O. "Related claims"** mean all claims arising out of a single "wrongful act" or arising out of "interrelated wrongful acts".
- P. "Suit"** means a formal civil, criminal, administrative, or regulatory proceeding or investigation or an arbitration against an "insured," including any appeal therefrom.
- Q. "Wrongful act"** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty by the insureds in the discharge of their duties in their capacities, or solely by reason of their status as fiduciaries or administrators (as defined in "ERISA or any similar act") of any "plan," including, without limitation:
- (i) Counseling employees, beneficiaries or "plan" participants with respect to any "plans";
  - (ii) Providing interpretations with respect to any "plan";
  - (iii) Handling records in connection with any "plan";
  - (iv) Enrolling, terminating or canceling employees under any "plan"; or
  - (v) Otherwise performing or failing to perform "ERISA or any similar act" obligations relating to any "plan."
- SECTION IV– EXTENDED REPORTING PERIOD**
- A.** If the first Named Insured cancels or non-renews this Coverage Form or if we decide not to offer any renewal terms for this Coverage Form, the first

Named Insured shall have the right to purchase, upon payment of an additional premium not to exceed 200% of the annual premium for this coverage, an extension of this Coverage Form for a period of 12 months immediately following the end of the "policy period," but only with respect to any "wrongful act" committed before the earlier of the end of the "policy period";

This period shall be referred to as the Extended Reporting Period.

- B. As a condition precedent to the right to purchase the Extended Reporting Period, the total premium for this Coverage Form must have been paid. The right to purchase the Extended Reporting Period shall end unless we receive written notice and full payment of the premium for such period within 30 days after the end of the "policy period."
- C. If the Extended Reporting Period is purchased, the entire premium shall be deemed fully earned at its commencement without any obligation by us to return any portion thereof.
- D. There is no separate or additional limit of insurance for the Extended Reporting Period.

#### SECTION V- LIMIT OF INSURANCE

Your rights and ours are stated in the attached Single Limit of Insurance Endorsement For Employment Practices/Fiduciary Liability Coverage Forms

#### SECTION VI - EXCLUSIONS

##### A. Exclusions Applicable to Damages and Defense Expenses

We will not be liable to pay any "damages" or "defense expenses" under this Coverage Form in connection with any "claim" made against an insured:

###### 1. Bodily Injury/Property Damage

For any actual or alleged bodily injury (including death), sickness, disease of any person, or damage to or destruction of any tangible property including loss of use;

###### 2. Violation of Law

For any actual or alleged violation of any law governing workers' compensation, unemployment insurance, social security, disability benefits or any other similar federal, state or local statutory or regulatory law or common law anywhere in the world except the

Consolidated Omnibus Budget Reconciliation Act of 1985 or the Health Insurance Portability and Accountability Act of 1996 or any amendments to such laws or any rules or regulations promulgated under such laws.

##### 3. Pollution

Based upon, directly or indirectly arising out of or in any way involving: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, "pollutants"; any request, direction or order that any of the insureds test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of "pollutants" or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person resulting from any of the aforementioned matters.

##### 4. Prior Wrongful Acts of Subsidiaries

For:

- (a) Any "wrongful act" by an insured of any of your subsidiaries, or by such subsidiary occurring before the date such entity became a subsidiary, or
- (b) Any other "wrongful act," whenever occurring, which, together with a "wrongful act" described in (a) above, would constitute "interrelated wrongful acts."

##### 5. Assumed Liability

Based upon, directly or indirectly arising out of or in any way involving the insured's assumption of the liability of others in any oral or written contract or agreement, unless such liability would have attached to an Insured in the absence of such agreement.

##### B. Exclusions Applicable to Non-Monetary Relief

We will not be liable to pay any "damages" under this Coverage Form that represent:

- 1. The return or reversion to you of any contribution or asset of any "plan";

2. Any costs incurred by an insured to comply with any order for remedial, preventive, injunctive or other non-monetary relief, or to comply with an agreement to provide such relief;
3. Benefits due or to become due under any "plan," or benefits which would be due under any "plan" if such "plan" complied with all applicable law, except to the extent that:
  - i. An "insured person" is legally obligated to pay such benefits as a personal obligation, and
  - ii. Recovery for the benefits is based upon a covered "wrongful act"; or
4. An employer's contributions owed to a "plan" and other amounts for which the insureds are legally obligated to pay by reason of the failure to collect such contributions.

## SECTION VII – CONDITIONS

### A. Bankruptcy

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

### B. Duties In The Event Of A "Claim"

1. If, during the "policy period" or any Extended Reporting Period, if applicable, any "claim" is first made against the "insured," the insured shall, as a condition precedent to our obligations under this Coverage Form, give us written notice as soon as practicable but in no event later than ninety (90) days after the end of the "policy period" or the Extended Reporting Period, if applicable.
2. You must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
  - b. Authorize us to obtain records and other information; and
  - c. Cooperate with us in the investigation or settlement of the "claim" or defense of the "suit."
3. No insured shall voluntarily make a payment, assume any obligation, or incur any expense without our written consent.

### C. Duties in the Event of A "Wrongful Act" That May Result In A "Claim"

If, during the "policy period," you first become aware of a specific "wrongful act" which may reasonably give rise to a future "claim," and during the "policy period" give written notice to us of:

1. The names of any potential claimants and a description of the "wrongful act" which forms the basis of their potential "claim";
2. The identity of the specific insureds allegedly responsible for such specific "wrongful act";
3. The consequences which have resulted or may result from such specific "wrongful act";
4. The nature of the potential monetary damages which may be sought in consequence of such specific "wrongful act"; and
5. The circumstances by which you first became aware of such specific "wrongful act";

Then any "claim" otherwise covered pursuant to this Coverage Form which is subsequently made and which arises out of such "wrongful act" shall be deemed to have been first made and reported to us by you at the time we received such written notice. No coverage is provided for fees and expenses incurred prior to the time such notice results in a "claim."

### D. When a "Claim" is Deemed Made

A "claim" shall be deemed made:

1. In the case of a civil, criminal, administrative or regulatory proceeding or arbitration, on the earliest of the date of service upon or other receipt by the insured of a complaint, indictment, notice of charge or similar document against the insured in such proceeding or arbitration;
2. In the case of an investigation, on the earliest of the date of service upon or other receipt by the insured of a written notice or subpoena from the investigating authority identifying such "insured person" as an individual against whom a formal proceeding may be commenced;
3. In the case of a written demand for monetary damages or non monetary relief, upon the insured's receipt of such written demand.

### E. Other Insurance

The **Other Insurance** clause, Section H. of the Common Policy Conditions is deleted and replaced with the following:

If any "damages" and "defense expenses" resulting from any "claim" are insured under any other policies, this Coverage Form shall apply only to the

extent the "damages" and "defense expenses" exceed the amount paid under such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over this Coverage Form.

#### **F. Section IV. Estates, Legal Representatives and Spouses/Domestic Partners**

Section L. of the Common Policy Conditions, Transfer Of Your Rights And Duties Under This Policy, is deleted in its entirety and replaced as follows:

The estates, heirs, legal representatives, assigns, spouses and any "domestic partner" of "insured persons" shall be considered insureds under this Coverage Form; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns and spouses only for a "claim" arising solely out of their status as such and, in the case of a spouse or "domestic partner," where such "claim" seeks damages from marital community property, jointly held property or property transferred from the "insured person" to the spouse or "domestic partner." No coverage is provided for any act, error or omission of an estate, heir, legal representative, assign, spouse or "domestic partner." All terms and conditions of this Coverage Form, including without limitation the deductible applicable to "damages" and "defense expenses" incurred by the "insured person" shall also apply to "damages" and "defense expenses" incurred by such estates, heirs, legal representatives, assigns, spouses and "domestic partners."

#### **G. No Action Against Us**

1. No action shall be taken against us unless, as a condition precedent, there shall have been full compliance with all the provisions of this Coverage Form nor until the amount of your obligation to pay shall have been finally determined either by final and nonappealable judgment against you after trial or by written agreement by you, the claimant and us.
2. No person or organization shall have any right under this Coverage Form to join us a party to any "suit" against you to determine your liability, nor shall we be impleaded by you or your legal representatives in any such "suit."

#### **H. 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 Form those rights are transferred to us. The insured must do nothing after a "claim" is made to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

In no event shall the insured be entitled to recoup from recoveries any amount to satisfy any deductible until after all amounts which we are required to pay or do pay under this Coverage Form are reimbursed to us.

#### **I. Transfer Of Duties When Limit Of Insurance Is Exhausted**

1. If we conclude that, based on "claims" which have been reported to us and to which this insurance may apply, the limit of insurance is likely to be exhausted in the payment of "damages" or "defense expenses," we will notify the first named insured, in writing, to that effect;
2. When the limit of insurance has actually been exhausted by payments of "damages" or "defense expenses", we will:
  - a. Notify the first "named insured" in writing, as soon as practicable, that such limit has been exhausted and that our obligations under this Coverage Form shall be deemed completely fulfilled and extinguished;
  - b. Initiate, and cooperate in, the transfer of control, to any appropriate insured, of all open "claims" to you; and
  - c. Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "claims" until such transfer is completed, provided you are cooperating in completing such transfer.
3. Upon receipt of such notice, you, must:
  - a. Cooperate in the transfer of control of "claims"; and
  - b. Arrange for the defense of such "claim" within such time period as agreed to between you and us. Arrangements for the defense of such "claim" must be made as soon as practicable.
4. We will take no action with respect to defense for any "claim" if such "claim" is reported to us after the applicable limit of insurance is exhausted. It becomes the your responsibility to arrange defense for such "claim."
5. You will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph 2. above.



6. The exhaustion of the applicable limit of insurance and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this Condition.

**J. Named Insured Authorization**

The insureds agree that the first named insured will act on behalf of all insureds with respect to giving of all notice to us (except notices provided in Section VII. Paragraph **B** and **C**), the receipt of notices from us, the payment of the premiums, the receipt of any return premiums that may become due under this Coverage Form, and the acceptance of endorsements.

**K. Assignment of Interest**

Assignment of interest under this Coverage Form shall not bind us unless its consent is endorsed to this Coverage Form.

**L. Common Policy Conditions**

Unless otherwise stated in this Coverage Form, all of the terms and conditions of the Businessowners Common Policy Conditions shall be included and incorporated into this Coverage Form.

## EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

THIS IS A CLAIMS MADE COVERAGE FORM. PLEASE READ ALL PROVISIONS AND CONTACT YOUR AGENT IF YOU HAVE ANY QUESTIONS. THIS INSURANCE APPLIES ONLY TO "WRONGFUL ACTS" THAT OCCUR BETWEEN THE RETROACTIVE DATE AND THE END OF THE "POLICY PERIOD". THIS INSURANCE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE INSURED AFTER THE INCEPTION DATE AND BEFORE THE END OF THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD AND REPORTED TO US IN ACCORDANCE WITH THE PROVISIONS OF THIS FORM. UPON TERMINATION OF YOUR POLICY AN AUTOMATIC EXTENDED REPORTING PERIOD WILL BE PROVIDED, AND A SUPPLEMENTAL EXTENDED REPORTING PERIOD WILL BE AVAILABLE.

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

Throughout this Coverage Form the terms "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 terms "we," "us" and "our" refer to the Stock Insurance Company named on the Declarations 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 III – Definitions.

### SECTION I - INSURING AGREEMENTS

#### A. Coverage

We will pay those sums in excess of the deductible and subject to the limits of liability that the Insured becomes legally obligated to pay as "damages" because of a "claim" resulting from a "wrongful employment practice" provided:

1. The "wrongful employment practice" takes place in the "coverage territory";
2. The "wrongful employment practice" did not occur before the Retroactive Date, if any, shown in the Declarations nor after the end of the "policy period"; and
3. A "claim" arising out of a "wrongful employment practice" is first made against an insured, during the "policy period" or Extended Reporting Period, if applicable and is reported to us in accordance with Section VIII, Conditions, paragraph C, Duties in the event of a "Claim"; and
4. Prior to the inception date of this Coverage Form:
  - a. the Insured did not give notice to a prior insurer of a "related claim";
  - b. the Insured did not give notice to a prior insurer of any such "wrongful employment practice" or "interrelated wrongful employment practice".

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided

for under paragraph 1.D. – **Supplementary Payments**

#### B. Defense

We have the right and duty to defend all "suits," even if the allegations are groundless, false or fraudulent. We shall have the right to appoint counsel and to make such investigation and defense of a "suit" as we deem necessary. Alternatively we may, at our option, give our written consent to the defense of any such "suit" to the insured. Our obligation to defend any "suit" or pay any "damages" and "defense expenses" for any "claim" shall be completely fulfilled and extinguished if the limit of insurance has been exhausted by payment of "damages" or "defense expenses."

#### C Consent To Settle

We shall not settle a "claim" without your written consent. If you refuse to consent to a settlement or compromise recommended by us, and acceptable to the claimant, then the applicable limit of insurance under this Coverage Form shall be reduced to the amount for which the "claim" could have been settled plus all "defense expenses" incurred up to the time we made our recommendation.

#### D. Supplementary Payments

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

we defend all "defense expenses". These payments are included within and reduce the Limits of Insurance.

described in Paragraph 1. above or in a settlement of a "claim" that we agree to.

## SECTION II – WHO IS AN INSURED

- A.** If you are designated in the Declarations as:
1. A partnership or joint venture, you are an insured. Your partners or members are also insureds.
  2. A limited liability company, you are an insured. Your members and managers are also insureds.
  3. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are also insureds.
- B.** Your "employees" are also insureds, unless otherwise excluded in this policy.
- C.** 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 no other similar insurance applies to that organization. You must notify us of such acquisition or formation as soon as practicable. However, coverage under this provision:
1. Is afforded only until the 90th day after you acquire or form the organization, or until the end of the policy period, whichever is earlier; and
  2. Does not apply to 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 – DEFINITIONS

The following defined words shall have the same meaning throughout this Coverage Form, whether expressed in the singular or the plural.

- A.** "Claim" means a "suit" or written demand for monetary damages against an insured and made by or on behalf of a natural person who is an "employee" or applicant for employment for a "wrongful employment practice".
- B.** "Coverage territory" means:
1. The United States of America (including its territories or possessions) and Puerto Rico; or
  2. All parts of the world if the insured's responsibility to pay "damages" is determined in a "suit" on the merits brought in the territory

- C.** "Damages" means sums (including back pay and front pay), settlements, judgments (including any award of pre-judgment and post-judgment interest) for which you are legally obligated to pay on account of a covered "claim." "Damages" shall not include:
1. criminal or civil fines or penalties imposed by law;
  2. taxes;
  3. liquidated or the multiple portion of any multiplied damages, amounts which may be deemed uninsurable under the law pursuant to which this policy shall be construed;
  4. compensation earned by the claimant in the course of employment but unpaid by the Insured, including salary, wages, commissions, bonus or incentive compensation;
  5. any amounts for which an Insured is liable due to breach of any written contract of employment;
  6. amounts representing medical or insurance premiums or benefit claim payments;
  7. any amount for which an Insured is absolved from payment by reason of any covenant, agreement or court order; or
  8. future salary, wages or commissions of a claimant who is hired, promoted or reinstated to employment pursuant to a settlement of, order in, or other resolution of any "claim"

Notwithstanding anything to the contrary above, "damages" shall include punitive or exemplary damages, if insurable, to the fullest extent permitted by any applicable law. Where you reasonably determine that punitive, exemplary or multiple damages are insurable under any applicable law, we shall not challenge that determination of insurability.

- D.** "Defense expenses" means all fees charged by attorneys designated by us, or by you, with our written consent and all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a "claim" if incurred by us or you with our written consent, including the costs of appeal, attachment or similar bonds. We have no obligation to provide such bonds. "Defense Expenses" shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers, and employees of yours.
- E.** "Domestic Partner" means any person qualifying as such under any federal, state or local laws or under your employee benefit plans.
- F.** "EEOC Proceeding" means an investigative proceeding before the Equal Employment Opportunity Commission or an adjudicatory or investigative proceeding before any similar federal,

state or local government body whose purpose is to address "wrongful employment practices."

- G. "Employee"** means all of your past, present or future full-time or part-time employees, including seasonal and temporary employees and employees leased or loaned to you. "Employee" does not include an independent contractor.
- H. "ERISA or any Similar Act"** means the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of the United States, Canada or their states, territories or provinces or any other jurisdiction anywhere in the world.
- I. "Executive officer"** means your chairperson, chief executive officer, president, chief financial officer and in-house general counsel, and, the director of human resources or equivalent position;
- J. "Insured Persons"** means all of those natural person insureds who are your partners, members, managers, "executive officers", directors and "employees"
- K. "Interrelated Wrongful Employment Practices"** means any "wrongful employment practices" which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.
- L. "Policy Period"** means the period from the effective date of this Coverage Form to the expiration date stated on the Declarations, or its earlier cancellation date.
- M. "Pollutants"** means any substance exhibiting hazardous characteristics as, is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. "Pollutants" also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products or any noise.
- N. "Related claims"** mean all claims arising out of a single "wrongful employment practice" or arising out of "interrelated wrongful employment practices".
- O. "Suit"** means a formal civil, administrative, or regulatory proceeding (including an "EEOC Proceeding") or investigation or an arbitration against an insured, including any appeal therefrom.
- P. "Wrongful Employment Practice"** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed or attempted by the "insured persons" in their capacity as such or by you constituting or related to
1. Wrongful dismissal or discharge or termination of employment, whether actual or constructive;
  2. Employment-related misrepresentation;
  3. Violation of any federal, state or local laws (whether common-law or statutory) concerning employment or discrimination in employment, including the Americans with Disabilities Act of 1992, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964 and the Civil Rights Act of 1866;
  4. Sexual harassment or other unlawful harassment in the work place;
  5. Wrongful deprivation of career opportunity or failure to employ or promote;
  6. Wrongful discipline of "employees";
  7. Retaliation against "employees" for the exercise of any legally protected right or for engaging in any legally protected activity;
  8. Negligent evaluation of "employees";
  9. Failure to adopt adequate workplace or employment policies and procedures;
  10. Employment-related defamation or invasion of privacy; or
  11. Employment-related wrongful infliction of emotional distress.

#### SECTION IV- EXTENDED REPORTING PERIOD

- A.** If the first Named Insured cancels or non-renews this Coverage Form or if we decide not to offer any renewal terms for this Coverage Form, the first Named Insured shall have the right to purchase, upon payment of an additional premium not to exceed 200% of the annual premium for this coverage, an extension of this Coverage Form for a period of 12 months immediately following the end of the "policy period," but only with respect to any "wrongful employment practice" committed before the earlier of the end of the "policy period";

This period shall be referred to as the Extended Reporting Period.

- B. As a condition precedent to the right to purchase the Extended Reporting Period, the total premium for this Coverage Form must have been paid. The right to purchase the Extended Reporting Period shall end unless we receive written notice and full payment of the premium for such period within 30 days after the end of the "policy period."
- C. If the Extended Reporting Period is purchased, the entire premium shall be deemed fully earned at its commencement without any obligation by us to return any portion thereof.
- D. There is no separate or additional limit of insurance for the Extended Reporting Period.

## SECTION V - LIMIT OF INSURANCE

Your rights and ours are stated in the attached Single Limit of Insurance Endorsement For Employment Practices/Fiduciary Liability Coverage Forms

## SECTION VI - EXCLUSIONS

### A. Exclusions Applicable to Damages and Defense Expenses

We will not be liable to pay any "damages" or "defense expenses" under this Coverage Form in connection with any "claim" made against an insured:

#### 1. Bodily Injury/Property Damage

For any actual or alleged bodily injury (including death), sickness, disease of any person, or damage to or destruction of any tangible property including loss of use except that this exclusion shall not apply to allegations of emotional distress, humiliation or mental anguish;

#### 2. Violation of Law

Based upon, directly or indirectly arising out of, or in any way involving any actual or alleged violation of:

- a. (i) "ERISA or any Similar Act", (ii) the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, or (iii) any other federal, state or local statutory law or common law anywhere in the world governing any employee benefit program, policy, plan or arrangement of any type, including but not limited to laws governing retirement or pension benefit

- programs, welfare plans, insurance plan, employee stock option ownership or employee stock purchase plans or deferred compensation programs;
- b. Any law governing workers' compensation, unemployment insurance, social security, disability benefits or any other similar federal, state or local statutory or regulatory law or common law anywhere in the world;
- c. The Occupational Safety and Health Act of 1970 (OSHA), as amended, or any other federal, state or local statutory or regulatory law or common law anywhere in the world governing workplace safety and health;
- d. The Fair Labor Standards Act (except the Equal Pay Act), as amended, or any other federal, state or local statutory law or common law anywhere in the world governing wage, hour and payroll policies;
- e. The Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988), as amended, or any other federal, state or local statutory or regulatory law or common law anywhere in the world governing an employer's obligation to notify or bargain with others in advance of any facility closing or mass layoff.
- f. The National Labor Relations Act, as amended, or any other federal, state or local statutory or regulatory law or common law anywhere in the world governing employees' rights and the employers duties with respect to unions, bargaining, strikes, boycotts, picketing, lockouts or collective activities.

However, this exclusion shall not apply to any "claim" alleging retaliation or wrongful dismissal or discharge or termination of employment whether actual or constructive, because of a claimant's exercise of a right pursuant to any such laws;

#### 3. Pollution

Based upon, directly or indirectly arising out of or in any way involving: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, "pollutants"; any request, direction or order that any of the insureds test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of "pollutants" or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person resulting from any of the aforementioned

matters. However, this exclusion shall not apply to any "claim" alleging retaliation or wrongful dismissal or discharge or termination of employment whether actual or constructive, because of a claimant's exercise of a right pursuant to any such laws;

#### 4. **Prior Wrongful Acts of Subsidiaries**

For:

- (a) Any "wrongful employment practice" by an insured of any of your subsidiaries, or by such subsidiary occurring before the date such entity became a subsidiary, or
- (b) Any other "wrongful employment practice," whenever occurring, which, together with a "wrongful employment practice" described in (a) above, would constitute "interrelated wrongful employment practices."

#### 5. **Assumed Liability**

Based upon, directly or indirectly arising out of or in any way involving the insured's assumption of the liability of others in any oral or written contract or agreement, unless such liability would have attached to an Insured in the absence of such agreement;

### **B. Exclusions Applicable to Non-Monetary Relief**

We will not be liable to pay any "damages" under this Coverage Form that represent

1. The cost of any non-monetary relief, including without limitation any costs associated with compliance with any injunctive relief of any kind or nature imposed by any judgment or settlement;
2. The costs associated with providing any reasonable accommodations required by, made as a result of, or to conform with the requirements of the Americans With Disabilities Act and any amendments thereto or any similar federal, state or local statute, regulation, or common laws;
3. Amounts determined to be owing under an express contract with or express severance obligation of yours; however, this exclusion shall not apply if and to the extent that liability would have attached to such insured in the absence of the express contract with or obligation of yours ; or

4. Medical or insurance benefits to which the claimant allegedly was entitled or would have been entitled had you provided the claimant with a continuation or conversion of insurance.

## **SECTION VII – CONDITIONS**

### **A. Bankruptcy**

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

### **B. Duties In The Event Of A "Claim"**

1. If, during the "policy period" or any Extended Reporting Period, if applicable, any "claim" is first made against the "insured," the insured shall, as a condition precedent to our obligations under this Coverage Form, give us written notice as soon as practicable but in no event later than ninety (90) days after the end of the "policy period" or the Extended Reporting Period, if applicable.
2. You must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
  - b. Authorize us to obtain records and other information; and
  - c. Cooperate with us in the investigation or settlement of the "claim" or defense of the "suit."
3. No insured shall voluntarily make a payment, assume any obligation, or incur any expense without our written consent.

### **C. Duties in the Event of A "Wrongful Employment Practice" That May Result In A "Claim"**

If, during the "policy period", you first become aware of a specific "wrongful employment practice" which may reasonably give rise to a future "claim," and during the "policy period" give written notice to us of:

1. The names of any potential claimants and a description of the "wrongful employment practice" which forms the basis of their potential "claim";
2. The identity of the specific insureds allegedly responsible for such specific "wrongful employment practice";

3. The consequences which have resulted or may result from such specific "wrongful employment practice";
4. The nature of the potential monetary damages which may be sought in consequence of such specific "wrongful employment practice"; and
5. The circumstances by which you first became aware of such specific "wrongful employment practice";

Then any "claim" otherwise covered pursuant to this Coverage Form which is subsequently made and which arises out of such "wrongful employment practice" shall be deemed to have been first made and reported to us by you at the time we received such written notice. No coverage is provided for fees and expenses incurred prior to the time such notice results in a "claim."

#### **D. When a "Claim" is Deemed Made**

A "claim" shall be deemed made:

1. In the case of a civil, administrative or regulatory proceeding or arbitration, on the earliest of the date of service upon or other receipt by the insured of a complaint, or similar document against the insured in such proceeding or arbitration;
2. In the case of an investigation, on the earliest of the date of service upon or other receipt by the insured of a written notice or subpoena from the investigating authority identifying such "insured person" as an individual against whom a formal proceeding may be commenced;
3. In the case of a written demand for monetary damages, upon the insured's receipt of such written demand.

#### **E. Other Insurance**

The **Other Insurance** clause, Section H. of the Common Policy Conditions is deleted and replaced with the following:

If any "damages" and "defense expenses" resulting from any "claim" are insured under any other policies, this Coverage Form shall apply only to the extent the "damages" and "defense expenses" exceed the amount paid under such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over this Coverage Form.

#### **F. Section IV. Estates, Legal Representatives and Spouses/Domestic Partners**

Section L. of the Common Policy Conditions, Transfer Of Your Rights And Duties Under This Policy, is deleted in its entirety and replaced as follows:

The estates, heirs, legal representatives, assigns, spouses and any "domestic partner" of "insured persons" shall be considered insureds under this Coverage Form; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns and spouses only for a "claim" arising solely out of their status as such and, in the case of a spouse or "domestic partner," where such "claim" seeks damages from marital community property, jointly held property or property transferred from the "insured person" to the spouse or "domestic partner." No coverage is provided for any act, error or omission of an estate, heir, legal representative, assign, spouse or "domestic partner." All terms and conditions of this Coverage Form, including without limitation the deductible applicable to "damages" and "defense expenses" incurred by the "insured person" shall also apply to "damages" and "defense expenses" incurred by such estates, heirs, legal representatives, assigns, spouses and "domestic partners."

#### **G. No Action Against Us**

1. No action shall be taken against us unless, as a condition precedent, there shall have been full compliance with all the provisions of this Coverage Form nor until the amount of your obligation to pay shall have been finally determined either by final and nonappealable judgment against you after trial or by written agreement by you, the claimant and us.
2. No person or organization shall have any right under this Coverage Form to join us a party to any "suit" against you to determine your liability, nor shall we be impleaded by you or your legal representatives in any such "suit."

#### **H. 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 Form those rights are transferred to us. The insured must do nothing after a "claim" is made to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

In no event shall the insured be entitled to recoup from recoveries any amount to satisfy any deductible

until after all amounts which we are required to pay or do pay under this Coverage Form are reimbursed to us.

#### **I. Transfer Of Duties When Limit Of Insurance Is Exhausted**

1. If we conclude that, based on "claims" which have been reported to us and to which this insurance may apply, the limit of insurance is likely to be exhausted in the payment of "damages" or "defense expenses," we will notify the first named insured, in writing, to that effect;
2. When the limit of insurance has actually been exhausted by payments of "damages" or "defense expenses", we will:
  - a. Notify the first named insured in writing, as soon as practicable, that such limit has been exhausted and that our obligations under this Coverage Form shall be deemed completely fulfilled and extinguished;
  - b. Initiate, and cooperate in, the transfer of control, to any appropriate insured, of all open "claims" to you; and
  - c. Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "claims" until such transfer is completed, provided you are cooperating in completing such transfer.
3. Upon receipt of such notice, you must:
  - a. Cooperate in the transfer of control of "claims"; and
  - b. Arrange for the defense of such "claim" within such time period as agreed to between you and us. Arrangements for the defense of such "claim" must be made as soon as practicable.
4. We will take no action with respect to defense for any "claim" if such "claim" is reported to us after the applicable limit of insurance is exhausted. It becomes your responsibility to arrange defense for such "claim."
5. You will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph 2. above.
6. The exhaustion of the applicable limit of insurance and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this Condition.

#### **J. Named Insured Authorization**

The insureds agree that the first named insured will act on behalf of all insureds with respect to giving of

all notice to us (except notices provided in Section VII. Paragraph B and C), the receipt of notices from us, the payment of the premiums, the receipt of any return premiums that may become due under this Coverage Form, and the acceptance of endorsements.

#### **K. Assignment of Interest**

Assignment of interest under this Coverage Form shall not bind us unless its consent is endorsed to this Coverage Form.

#### **L. Common Policy Conditions**

Unless otherwise stated in this Coverage Form, all of the terms and conditions of the Business Owners Common Policy Conditions Endorsement shall be included and incorporated into this Coverage Form.

## SINGLE LIMIT OF INSURANCE ENDORSEMENT FOR EMPLOYMENT PRACTICES/FIDUCIARY LIABILITY COVERAGE FORMS

In consideration of the premium paid for this Policy, it is hereby understood and agreed that the following endorsement is applicable to the Employment Practices Liability and Fiduciary Liability Coverage Forms:

### SINGLE LIMIT OF INSURANCE/DEDUCTIBLE

A. The Employment Practices/Fiduciary Liability single limit of insurance shown in the Declarations and subject to the provisions of the Employment Practices Liability and Fiduciary Liability Coverage Forms is the total amount we will pay as "damages" and "defense expenses" under both the Employment Practices Liability and Fiduciary Liability Coverage Forms combined, regardless of the number of insureds, "claims" made or persons or entities making "claims" under such Coverage Forms. If "related claims" are subsequently made against the insured and reported to us, all such "related claims," whenever made, shall be considered a single "claim" first made and reported to us within the "policy period" in which the earliest of the "related claims" was first made and reported to us.

B. The Employment Practices/Fiduciary Liability single limit of insurance shown in the Declarations shall be our maximum aggregate limit of insurance for all "damages" and "defense expenses" under the Employment Practices Liability and Fiduciary Liability Coverage Forms combined, regardless of the number of:

1. Insureds;
2. "Claims";
3. "Damages" or "defense expenses" incurred; or
4. Claimants;

Our obligations under both the Employment Practices Liability and Fiduciary Liability Coverage Forms, shall be completely fulfilled and extinguished if the Employment Practices/Fiduciary Liability single limit of insurance is exhausted by payment of "damages" or "defense expenses."

C. We will pay "damages" and "defense expenses" in excess of the EPL Deductible shown on the Declarations, up to the applicable Employment Practices/Fiduciary Liability single limit of insurance.

#### Example No. 1

EPL Deductible: \$5,000

Employment Practices/Fiduciary Single Limit of Insurance: \$100,000

"Damages" and "Defense Expenses": \$75,000

The EPL Deductible will be subtracted from the amount of "damages" and "defense expenses" in calculating the amount payable:

$\$75,000 - \$5,000 = \$70,000$  Amount Payable

#### Example No. 2

EPL Deductible: \$5,000

Employment Practices/Fiduciary Single Limit of Insurance: \$100,000

"Damages" and "Defense Expenses": \$120,000

The EPL Deductible will be subtracted from the amount of "damages" and "defense expenses" ( $\$120,000 - \$5,000 = \$115,000$ ). Since the amount of the "damages" and "defense expenses" minus the EPL Deductible exceeds the Employment Practices/Fiduciary Liability single limit of insurance, the policy will pay the full Employment Practices/Fiduciary Liability Single Limit of Insurance (\$100,000).

D. Subject to Paragraph E. below, we may pay any part or all of the EPL Deductible amount to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the EPL Deductible amount as has been paid by us.

E.. No deductible applies with respect to any "claim" against any "insured person" if you are not permitted to advance "defense expenses" or to indemnify such "insured person" for "damages" by reason of:

1. Financial insolvency; or
2. A good faith determination by you that such payment is not permitted under the broadest construction of applicable law

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**CONCURRENT CAUSATION, EARTH MOVEMENT & WATER EXCLUSION**  
**CHANGES**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM**

**A. Section B. EXCLUSIONS** the first paragraph of **B.1.** is deleted in its entirety and replaced by the following:

1. We will not pay for loss or damage directly or indirectly caused by or resulting from any of the following regardless of: (a) the causes of the excluded event; or (b) other causes of the loss; or (c) any other causes or events, whether or not insured under this Policy, which may have contributed concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurred suddenly or gradually, involved isolated or widespread damage, arose from natural or external forces or acts or omissions of man, or occurred as a result of any combination of any of the following:

**B. Section B. EXCLUSIONS** exclusion **B.1.b. Earth Movement** deleted in its entirety and replaced by the following:

**b. Earth Movement**

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting, including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

Also, Earth Movement, as described in (1) through (4) applies to acts or omissions of man or any other cause or combination of causes listed above. But if Earth Movement, as described in (1) through (4) above, results in fire or explosion, and such resulting loss or damage is not otherwise excluded, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, and such resulting loss or damage is not otherwise excluded, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

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

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

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

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

**C. Section B. EXCLUSIONS** exclusion **B.1.g. Water** is deleted in its entirety and replaced by the following:

**g. Water**

- (1) "Flood", surface water, waves, tides, tidal waves, overflow of any body of water, including release of water held by a dam, levy or dike or by a water or flood control device, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water or sewage that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion, or sprinkler leakage not otherwise excluded, we will pay for the loss or damage caused by that fire, explosion, or sprinkler leakage.

- D. Wherever the word "flood" appears in the Commercial Property Coverage Part, it is amended to a defined term, as per the following, and is added to the Definitions section of each applicable coverage part.

**"Flood"** means a general and temporary condition of partial or complete inundation of normally dry land areas, whether caused by natural occurrences, acts or omissions of man or any other cause or combination of causes.

All flooding in a continuous or protracted event will constitute a single flood.



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

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM**

**A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the Terrorism Risk Insurance Act. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate losses in excess of \$5 million; 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 acting on behalf of any foreign person or foreign interest, 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.

With respect to any one or more "certified acts of terrorism" under the Terrorism Risk Insurance Act, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

**B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.



**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.**  
**HIRED AUTO AND NONOWNED AUTO LIABILITY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

COVERAGE	ADDITIONAL PREMIUM
Hired Auto Liability	\$
Nonowned Auto Liability	\$

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**PROVISIONS**

**A. COVERAGE**

If a premium charge is shown in the SCHEDULE above, the insurance provided under **Coverage A – Bodily Injury and Property Damage Liability** applies to “bodily injury” and “property damage” arising out of the maintenance or use of a “hired auto” or “nonowned auto”. Maintenance or use of a “nonowned auto” includes test driving in connection with an “auto business”.

course of your business; or

2. “Non-owned auto” by any person other than you in the course of your business, and arising out of any one “occurrence”.

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

**B. LIMITS OF INSURANCE**

**SECTION D. Liability And Medical Expenses Limits of Insurance** is deleted in its entirety and replaced with the following:

**D. Limits Of Insurance**

1. Regardless of the number of:
  - a. Insureds;
  - b. Claims made or “suits” brought;
  - c. Persons or organizations making claims or bringing “suits”; or
  - d. “Autos”,

the Hired Auto and Non-Owned Auto Liability Each Occurrence Limit shown in the Declarations is the most we will pay for damages under SECTION A. Coverages because of all “bodily injury” or “property damage” arising out of the maintenance or use of a:

1. “Hired auto” by you or your “employees” in the

**C. EXCLUSIONS**

With respect to the insurance provided by this endorsement:

1. The exclusions, under Coverage A – Bodily Injury and Property Damage Liability, other than exclusions a., b., d., e., f. and i. and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and replaced by the following:
  - a. “Bodily injury” to:
    - (1) Any fellow “employee” of the insured arising out of and in the course of:
      - (a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business.

b. "Property Damage" to:

(1) Property owned or being transported by, or rented or loaned to the insured;

Or

(2) Property in the care, custody or control of the insured.

#### D. WHO IS AN INSURED

Who Is An Insured is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

1. You;
2. Anyone else including any partner or "executive officer" of yours while using with your permission a "hired auto" or a "nonowned auto" except:
  - a. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner or lessee of a "nonowned auto" or any agent or "employee" of any such owner or lessee;
  - b. Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household;
  - c. Your "employee" if the covered "auto" is leased, hired or rented by him or her or a member of his or her household under a lease or rental agreement for a period of 180 days or more;
  - d. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
  - e. Any partner or "executive officer" with respect to any "auto" leased or rented to such partner or officer or a member of his or her household under a lease or rental agreement for a period of 180 days or more;
  - f. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
  - g. Anyone other than your "employees", partners, a lessee or borrower or any of their "employees", while moving property to or from a "hired auto" or a nonowned auto"; or
3. Any other person or organization, but only with respect to their liability because of acts

or omissions of an insured under 1. or 2. above.

#### E. AMENDED DEFINITIONS

The Definition of "insured contract" in Section F – Definitions is amended by the addition of the following exceptions to paragraph f.:

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

- (4) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- (5) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

#### F. ADDITIONAL DEFINITIONS

Section F. Definitions is amended by the addition of the following definitions:

- a. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- b. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include:
  - i. Any "auto" you lease, hire or rent under a lease or rental agreement for a period of 180 days or more, or
  - ii. Any "auto" you lease, hire, rent or borrow from any of your "employees", partners, stockholders, or members of their households.
- c. "Nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business at the time of an "occurrence". This includes "autos" owned by your "employees" or partners or members of their households but only while being used in the course and scope of your business at the time of an "occurrence".

If you are a sole proprietor, "nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business or personal affairs at the time of an "occurrence".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**CAUSES OF LOSS – BROAD FORM FLOOD**

This endorsement modifies insurance provided under the following:  
**BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM**

Prem.Loc.No	Deductible	Occurrence Limit	Annual Aggregate Limit	Symbol

\* Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

**A. DESCRIPTION OF COVERAGE SYMBOLS**

Coverage(s) to which this endorsement applies are identified by the following symbols:

- 1. = Building
- 2. = Business Personal Property
- 3. = Business Income and Extra Expense

**B. COVERED CAUSES OF LOSS**

The following modifies:

**BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM**

Covered Causes of Loss is changed to include the following Causes of Loss only for the Premises, Location, Building Number(s) and Coverage(s) for which a Coverage Symbol(s) is shown which are indicated in the DECLARATIONS:

- 1. Flood, meaning a general and temporary condition of partial or complete inundation of normally dry land areas, whether caused by natural occurrences, acts or omissions of man or any other cause or combination of causes;
- 2. Mudslides or mudflows which are caused by flooding as defined in B.1. above. For the purpose of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.

- 3. Water or sewage that backs up or overflows from a sewer, drain or sump resulting from Flood, and occurring within 72 hours after the Flood recedes.
- 4. Water under the ground surface pressing on, or flowing or seeping through;
  - a. Foundations, walls, floors or paved surfaces;
  - b. Basements, whether paved or not; or
  - c. Doors, windows or their openings.

All flooding in a continuous or protracted event will constitute a single flood.

**C. PROVISIONS THAT DO NOT APPLY TO THIS ENDORSEMENT**

The following provisions of the forms and endorsements that may be part of this policy do not apply to this endorsement:

- 1. The Additional Condition – Coinsurance;
- 2. Deductible; or
- 3. Limits of Insurance
- 4. Paragraph A.2. Property Not Covered, Item P., of the **Businessowners Special Property Coverage** Form does not apply to this endorsement.

**D. ADDITIONAL COVERED PROPERTY**

Covered Property is revised to include Underground pipes, flues and drains when BUILDING coverage is provided and the building number is indicated in the Schedule above.

## E. DEDUCTIBLES

The following deductible provisions apply to the Premises/Building number(s) shown in the Schedule above:

1. The deductible amount shown in the Schedule above applies as follows:

- a. In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the deductible amount shown in the Schedule of value(s) for the property that has sustained loss or damage at each of the buildings shown in the Schedule. The values to be used are those shown in the most recent Statement of Values on file with us. If there is not Statement of Values on file with us or the covered property is a building in the course of construction or Newly Acquired or Constructed Property, we will use the value(s) at the time of loss for the property that has sustained loss or damage.

This deductible is calculated separately for, and applies separately to:

- (1) Each Building, if two or more buildings sustain loss or damage;
- (2) The building and to personal property in that building if both sustain loss or damage;
- (3) Personal Property at each building, if personal property at two or more buildings sustain loss or damage;
- (4) Personal property in the open; and
- (5) Any other property insured under this Coverage Part.

- b. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable deductible. We will then pay the amount of loss or damage in excess of that Deductible up to the Occurrence Limit.
2. When Business Income coverage is included, the following is applicable to Business Income Coverage:

We will only pay for loss you sustain after 168 consecutive hours after direct physical loss or damage caused by or resulting from Flood. We will then pay the amount of loss or damage in excess of the Deductible, up to the Occurrence Limit of Insurance.

3. When Extra Expense is included, no Deductible applies to Extra Expense.

## F. LIMITS OF INSURANCE

The most we will pay for loss caused by any flood:

1. The Policy Occurrence Limit shown in the DECLARATION that applies to any one occurrence, even if the loss involves more than one coverage. Amounts payable under any Additional Coverage or Coverage Extensions do not increase the Policy Occurrence Limit.
2. The Annual Aggregate Limit shown in the Schedule above, regardless of the number of occurrences or locations, for all loss occurring in any one policy year commencing with the inception or anniversary date of this endorsement, whichever is less.

## G. COVERAGE EXTENSIONS

The most we will pay for loss or damage under **7.g.** Newly Acquired or Constructed Property Extensions and **7.b.** Business Income and Extra Expense Newly Acquired Locations Extension under this endorsement is a total of \$100,000 in any one occurrence and in any one policy year.

## H. POLLUTANT CLEANUP AND REMOVAL

Coverage provided by this endorsement also applies to the Additional Coverages **A.6.** Pollutant Cleanup and Removal.

## I. DEFINITIONS

1. The "period of restoration" DEFINITION is deleted as respects this endorsement and is replaced with the following:

"Period of Restoration" means the period of time that:

- (a) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- (b) Ends on the earlier of:
  - (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - (ii) The date when business is resumed at the new permanent location.

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

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

(b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants". The expiration date of this policy will not cut short the "period of restoration".

**J. ADDITIONAL CONDITION CANCELLATION**

We or you may cancel this endorsement as provided by the Common Policy Conditions without canceling the entire Coverage Part.



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

**CAUSES OF LOSS - EARTHQUAKE**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM**

**A. SCHEDULE**

<b>Prem.Loc.No</b>	<b>Deductible %</b>	<b>Occurrence Limit</b>	<b>Annual Aggregate Limit</b>

\* Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

**B. COVERED CAUSES OF LOSS**

The following modifies:

**BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM**

Covered Causes of Loss is revised to include the following as Covered Causes of Loss only for Covered Property at the Premises Location/Building number(s) shown in the Schedule above or in the Declarations:

1. Earthquake, meaning a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural causes.
2. Volcanic eruption, meaning the eruption, explosion or effusion of a volcano.

All earthquake shocks or volcanic eruptions that occur within any 168 hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168 hour period. We will not pay for loss or damage caused by or resulting from earthquakes or volcanic eruptions which began before the effective date of this policy.

**C. ADDITIONAL EXCLUSIONS AND LIMITATIONS**

1. The following EXCLUSIONS are added as respects coverage provided by this endorsement:

We will not pay under this endorsement for loss or damage caused directly or indirectly by the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- a. Fire;
- b. Explosion; or
- c. Flood, waves, tides, tidal waves, mudslide or mudflow, release of water impounded by a dam or water or sewage that backs up or overflows from a sewer, drain or sump, even if caused by an Earthquake or Volcanic Eruption.

2. We will not pay for the cost of restoring or remediating land or for loss resulting from the time required to restore or remediate land.
3. The following LIMITATION is added as respects coverage provided by this endorsement:

We will not pay for loss or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Deductible applicable to this endorsement.

This limitation does not apply if less than 10% of the total outside wall areas is faced with masonry veneer (excluding stucco).

**D. PROVISIONS THAT DO NOT APPLY TO THIS ENDORSEMENT**

1. The following provisions of the forms and endorsements that may be part of this policy do not apply to this endorsement unless placed elsewhere in this endorsement:
  - a. The Additional Condition – Coinsurance;
  - b. Deductible; or
  - c. Limits of Insurance.

2. The Earth Movement Exclusion does not apply to the insurance specifically provided for under this endorsement.
3. Paragraph A.2. Property Not Covered, Item P., of the Businessowners Special Property Coverage Form does not apply to this endorsement.

All other Exclusions and Limitations in the Policy continue to apply.

#### E. DEDUCTIBLES

The following deductible provisions apply to the Premises Location/Building number(s) shown in the Schedule above or in the Declarations and to any otherwise Building and Business Personal Property:

1. The percentage (%) shown in the Schedule above or in the Declarations applies as follows:
  - a. In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 2%, 5%, or 10% as shown in the Schedule of the value(s) or in the Declarations of the property that has sustained loss or damage at each of the buildings shown in the Schedule. The values to be used are those shown in the most recent Statement of Values on file with us. If there is no Statement of Values on file with us or the covered property is a building in the course of construction or Newly Acquired or Constructed Property, we will use the value(s) at the time of loss of the property that has sustained loss or damage.

This deductible is calculated separately for, and applies separately to:

- (1) Each building, if two or more buildings sustain loss or damage;
- (2) The building and to personal property in that building, if both sustain loss or damage;
- (3) Personal property at each building, if personal property at two or more buildings sustain loss or damage;
- (4) Personal Property in the open; and
- (5) Any other property insured under this Coverage Part.

- b. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable deductible. We will then pay the amount of loss or damage in excess of that Deductible up to the Occurrence Limit.

#### F. LIMITS OF INSURANCE

The most we will pay for loss caused by any earthquake or volcanic eruption is:

1. The Policy Occurrence Limit shown in the Schedule above or in the Declarations that applies to any one occurrence, even if the loss involves more than one coverage. Amounts payable under any Additional Coverage or Coverage Extensions do not increase the Policy Occurrence Limit. This limit is part of, and does not increase, the Limits of Insurance that apply under this Coverage Form.
2. The Annual Aggregate Limit shown in the Schedule above or in the Declarations, regardless of the number of occurrences or premises, for all loss occurring in any one policy year commencing with the inception or anniversary date of this endorsement, whichever is less.
3. If a Cause of Loss (such as fire) is covered by means of an exception to the Earth Movement Exclusion, we will also pay for the loss or damage caused by that other Covered Cause of Loss. But the most we will pay, for the total of all loss or damage caused by Earthquake, Volcanic Eruption and other Covered Cause of Loss, is the Limit of Insurance applicable to such other Covered Cause of Loss. We will not pay the sum of the two limits.

#### G. ADDITIONAL COVERAGES

The most we will pay for loss or damage under Newly Acquired or Constructed Property or Business Income and Extra Expense Newly Acquired Premises Additional Coverages under this endorsement is a total of \$100,000 in any one occurrence and in any one policy year.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**ARCHITECTS, ENGINEERS AND SURVEYORS PROPERTY EXTENSION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance coverage stated below.

This insurance applies only when a Limit of Insurance for Businessowners Special Property Coverage Form is shown in the Declarations. The amounts of insurance stated below are in addition to the Limits of Insurance stated in the Declarations, schedules or any other endorsement that is a part of this policy.

The following changes apply:

1. Section **A. COVERAGE**, item **1. Covered Property**, subsection **b. Business Personal Property** is deleted and replaced by the following:

**Business Personal Property**, meaning business personal property located in or on the buildings at the described premises or in the open (or in a vehicle) within 1000 feet of the described premises, including:

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

"Surveyors' Equipment", architectural models, architectural replicas, architectural sculptures and architectural drawings are included in (1), (2), and (4) above.

2. Section **A. COVERAGE**, item **4. Limitations**, subsection **b.**, is deleted and replaced by the following:

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

- (1) Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
  - (a) Glass that is part of the interior or exterior of a building or structure;
  - (b) Containers of property held for sale;
  - (c) Photographic or scientific instrument lenses; or
  - (d) Glass and lenses that are part of "surveyors equipment"
- (2) Animals, and then only if they are killed or their destruction is made necessary.

3. If applicable to this policy, **Coverage Extension Valuable Papers and Records** is deleted and replaced with the following:

- (1) We will pay for direct physical loss or damage to "Valuable Papers and Records" that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore lost information on lost or damaged "Valuable Papers and Records," including those which exist on electronic or magnetic media, for which duplicates do not exist.
- (2) This Coverage Extension does not apply to:
  - (a) Property held as samples or for delivery after sale;
  - (b) Property in storage away from the premises shown in the Declarations.
- (3) The most we will pay under this Coverage Extension for loss or damage to "Valuable Papers and Records" in any one occurrence at the described premises is \$100,000, unless a higher Limit of Insurance for "Valuable Papers and Records" is shown in the Declarations.

For "Valuable Papers and Records" not at the described premises, the most we will pay is \$100,000.

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

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

4. If applicable to this policy, **Coverage Extension Accounts Receivable** is deleted and replaced with the following:

We will pay for the following loss and expenses which are the direct result of loss or damage, by a Covered Cause of Loss, to accounts receivable records:

- (1) All sums due from customers, provided you are unable to effect collections;
- (2) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by loss or damage;
- (3) Collection expenses in excess of normal collection cost made necessary because of loss or damage;
- (4) Other reasonable expenses incurred by you in re-establishing records of accounts receivable following such loss or damage.

The most we will pay for loss or damage under this Coverage Extension is increased by \$100,000 at each described premises, unless otherwise indicated in the Declarations. For accounts receivable not at the described premises, the most we will pay is \$25,000.

5. Business Personal Property at Unnamed Locations

- 1. When the Declarations show that you have coverage for Business Personal Property at the described premises, you may extend that insurance to apply to loss or damage to Business Personal Property at Unnamed Locations, after 60 consecutive days.
  - a. We will pay for direct physical loss of, or damage to, Covered Property, other than "money", "securities", "Valuable Papers and Records" or accounts receivable, that is

located at locations not identified in the Declarations including residences of employees.

- b. The most we will pay under this coverage extension for loss or damage to property is \$25,000 at any location not described in the Declarations including residences of employees.

6. Section **F. COMMERCIAL PROPERTY CONDITIONS**, item **8. Policy Period, Coverage Territory**, is amended as follows:

The coverage territory is expanded to Worldwide but only for cellular telephone coverage provided under **Coverage Extension Business Personal Property Off Premises**, if such coverage is applicable to this policy.

7. Section **G. PROPERTY DEFINITIONS**, item **31.**, "Valuable Papers and Records" is deleted and replaced with the following:

"Valuable Papers and Records" means inscribed, printed, or written:

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

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

But "Valuable Papers and Records" does not mean:

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

8. Section **G. PROPERTY DEFINITIONS**, "**Surveyors' Equipment**" is added as follows:

"**Surveyors' Equipment**" is defined as instruments used in the measurement of dimensional relationships such as horizontal distances, elevations, directions and angles as applicable to property boundaries, construction layout and mapmaking.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
WINDSTORM OR HAIL BUSINESS INCOME SPECIAL DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

**BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM**

**SCHEDULE\***

**Premises No.**

@@@  
@@@  
@@@  
@@@  
@@@

\* Information required to complete this Schedule, if not shown on this endorsement will be shown in the Declarations.

1. For the purposes of this endorsement, **2.** below applies to Business Income and Extra Expense when the loss or damage to Covered Property is caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. If loss or damage from a covered weather condition other than Windstorm or Hail occurs, and that loss or damage would not have occurred but for the Windstorm or Hail, such loss or damage shall be considered to be caused by Windstorm or Hail and therefore part of the Windstorm or Hail occurrence.
2. We will pay the amount described in either paragraph **4.a.** or **4.b.** However, we shall not be liable for any payment for Extra Expense you incur and loss of Business Income you sustain, during the first 72 hours following the start of a necessary "suspension" of your "operations" during the "period of restoration".

With respect to Business Income and Extra Expense at a location identified in the Schedule, no other deductible applies to Windstorm or Hail.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**EXCLUSION OF COVERAGE FOR SPECIAL EVENTS**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS LIABILITY COVERAGE FORM**

Except as indicated below, this insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of any "Special Event" sponsored or organized, in whole or in part, by the insured. This exclusion applies whether the "Special Event" is held on premises owned by the insured or on any other premises.

This insurance does not apply to:

1. "Bodily injury" to any person while practicing for or participating in any sports or athletic contest or athletic exhibition; or
2. "Bodily injury", "property damage" or "personal and advertising injury" arising out of:
  - a. The ownership, maintenance, operation, use or entrustment to others of any:
    - (1) Mechanically operated amusement devices;
    - (2) Aircraft and similar devices including but not limited to balloons, parasails, parachutes, hang gliders and ultralights; or
    - (3) Trampoline or gymnastic rebounding device;
  - b. Animal related activities;
  - c. Any fireworks display
  - d. Any inflatable amusement device including, but not limited to moonwalks and slides;
  - e. Any concert including, but not limited to rock, rap, hip-hop, jam, techno and punk, whether conducted or sponsored, in whole or in part;
  - f. Auto, motorcycle or boat races or events;
  - g. Biking events;
  - h. Bungee jumping;
  - i. Construction activities;
  - j. Demonstrations, strikes, protests or rallies;
  - k. Eating and Drinking contests;
  - l. Provision or arrangement of transportation including any contract to furnish transportation regardless of whether:
    - (a) Sponsored or organized in whole or in part by the insured; or
    - (b) Held on premises owned by the insured or on any other premises.
  - m. Rock climbing walls;
  - n. Traffic control, road closures, route lay-out or planning; or
  - o. Water related activities

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****SCHEDULED PROPERTY COVERAGE**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only if indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement except as indicated below.

**A. COVERAGE**

We will pay for direct physical loss or damage to Covered Property caused by any of the Covered Causes of Loss.

**Covered Property**, as used in this Coverage Form means the following property owned by you or the property of others for which you are liable which is located anywhere within the policy territory.

1. Personal Property Floater;
2. Mobile or cellular phones, beepers, pagers and related equipment and accessories;
3. Athletic, equestrian, funeral, scouting and related equipment and accessories;
4. Lodge, club, church and related equipment and accessories;
5. Catering and related equipment and accessories;
6. Musical instruments and related equipment and accessories; and

7. Cameras, projection machines, film and related equipment and accessories.

**B. ADDITIONAL EXCLUSIONS**

Exclusion **B.2.d.(7).c.** of the Businessowners Special Property Coverage Form does not apply to photographic lenses.

**C. LIMITS OF INSURANCE**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations for the Type of Scheduled Property, or specifically described Property shown in the Declaration.

If we show a Maximum Limit of Insurance, that is the most we will pay for all loss or damage in any one occurrence to Covered Property insured under this endorsement.

**D. DEDUCTIBLE**

We will not pay for loss or damage under this endorsement until the amount of loss or damage in any one occurrence exceeds \$250. We will then pay the amount of loss or damage in excess of the \$250 up to the Limit of Insurance.



## CONTRACTOR'S EQUIPMENT – SPECIAL FORM

### SCHEDULE

Coverage Deductible \$	Limit of Insurance
Description of Equipment	\$
	\$
	\$

\* Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

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

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

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

#### A. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Policy Form, means the following types of property:

- a. Your contractor's equipment; and
- b. Similar property of others in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

- a. Automobiles, motor trucks, tractors, trailers and other conveyances that are licensed for use on public roads and are used to transport persons or property;
- b. Aircraft or watercraft;
- c. Property while waterborne except by regular ferry other than to or from Alaska;
- d. Property while underground or underwater;
- e. Property you lease or rent to others without providing an operator unless a Limit of Insurance is shown for it in the Declarations; or
- f. Contraband, or property in the course of illegal transportation or trade.

3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to covered property except those causes of "loss" listed in the Exclusions.

#### 4. Coverage Extensions

a. Newly Acquired Property

We will cover similar newly acquired property that you purchase, lease, rent or borrow during the policy period. You must report this property to us within 60 days of acquisition or we will not pay for "loss" to this property and coverage for it will terminate. An additional premium will be charged from the date you acquire that property.

The most we will pay for "loss" under this Coverage Extension for new property you purchase, lease, rent or borrow and for which you are liable is \$25,000 in any one occurrence.

The amount payable under this extension is in addition to the Limits of Insurance shown in the Declarations. No Coinsurance applies.

b. Property Leased or Rented to Others Without Operator

You may extend this insurance to apply to Covered Property you lease or rent to others without providing the operator, but only if you:

(1) Secure a signed lease or rental agreement requiring the lessee to:

(a) Be fully responsible for any and all "loss"; and

(b) Provide insurance on the property with coverage and limits of insurance equal to yours.

(2) Secure written evidence of such insurance naming you or the owner of

the property as loss payee and maintain that evidence of file for our review during regular business hours.

The most we will pay for "loss" under this extension is the applicable Limits of Insurance shown in the Declarations for Property Leased or Rented to Others. The amount payable under this extension does not increase the Limits of Insurance provided under this Coverage Form.

**c. Fire Protection Systems**

We will pay for your expense to recharge or refill your fire protective systems that protect Covered Property.

The most we will pay in any one "loss" under this Coverage Extension is \$2,500.

**5. Additional Coverages**

**a. Debris Removal**

We will pay your expense to remove the debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period, but only if the expenses are reported to us in writing within 60 days of the date of direct physical "loss."

This Additional Coverage does not apply to:

- (1) Costs to extract "pollutants" from land or water; or
- (2) Costs to remove, restore or replace polluted land or water.

The most we will pay under this Additional Coverage is \$10,000 in any one occurrence. The amount payable is in addition to the Limits of Insurance shown in the Declarations.

**b. Reward Coverage**

We will reimburse you for reward(s) expense you have incurred leading to:

- (1) The successful return of undamaged stolen articles to a law enforcement agency; or
- (2) The arrest and conviction of any person(s) who have damaged or stolen any of your Covered Property.

We will pay 25% of the covered loss, prior to the application of any Deductible and recovery, up to a maximum of \$2,500 in any one occurrence for the reward payments you make. These reward payments must be documented. The amount payable is in addition to the Limits of Insurance shown in

the Declarations. No Deductible applies to this Additional Coverage.

**c. Rental Expense**

We will pay the expenses you incur for the rental of temporary substitute equipment to continue, as nearly as practicable, your "normal" operations on work in progress or under contract. Such expenses must be made necessary by direct physical "loss" to Covered Property caused by or resulting from a Covered Cause of Loss.

Payment under this Additional Coverage is limited to such expenses incurred during the period of time that:

- (1) Begins one "working day" after the direct physical "loss" unless otherwise stated in the Declarations under the Deductible applicable to this coverage; and
- (2) Ends when the Covered Property should be repaired or replaced with reasonable speed and similar quality, or the need for the substitute equipment ceases to exist, whichever occurs first.

This period of time will not be cut short by the expiration date of this Coverage Form.

This Additional Coverage does not apply to

- (1) Any expense incurred if you have suitable substitute equipment available to continue your "normal" operations;
- (2) Any expense for the rental of equipment not of the same type or not to be used for the same purpose as the equipment for which it is substituted; or
- (3) Any loss of market, loss of income or any consequential "loss."

**d. Fire Department Service Charge**

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

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

No deductible applies to this Additional Coverage.

**e. Pollutant Cleanup and Removal**

- (1) We will 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 or results from a Covered Cause of Loss to Covered Property that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the "loss."

- (2) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants." But we will pay for testing which is performed in the source of extracting the "pollutants" from the land or water.
- (3) The most we will pay under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Cause of Loss to Covered Property occurring during each separate 12 month period of this policy.

## B. EXCLUSIONS

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

- a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

- b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or

- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

- c. War and Military Action

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

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

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

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Dishonest acts by you, anyone else with an interest in the property, your or their employees or authorized representatives or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.

This exclusion does not apply to property in the custody of a carrier for hire.

- c. Work upon or service of the property. But we will pay for direct "loss" caused by resulting fire or explosion.
- d. Artificially generated electrical current, including electric arcing, within Covered Property that disturbs electrical devices, equipment or apparatus. But we will pay for resulting fire or explosion.

- e. The weight of a load exceeding the lifting or operating capacity of any property under the operating conditions at the time of "loss."

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

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

- g. Discharge, dispersal, seepage, migration, release or escape of "pollutants."

But we will pay for such "loss" caused directly by fire, lightning, explosion, windstorm, smoke, aircraft or objects falling from aircraft, riot or civil commotion, vandalism or leakage from fire extinguishing equipment, if these causes of "loss" would be covered under this Coverage Form.

3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting loss.

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

- b. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation, corrosion, rust, dampness, dryness, cold or heat;
- c. Mechanical breakdown or failure of the Covered Property.

### C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations. Except as provided in 4. Coverage Extensions or 5. Additional Coverages.

### D. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of "loss," before applying the applicable Limits of Insurance, exceeds the Deductible shown in the Declarations. We will then pay the amount of the "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

### E. ADDITIONAL CONDITIONS

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

#### 1. Coverage Territory

We cover property wherever located within:

- a. The United States of America; and
- b. Canada.

#### 2. Valuation

The value of property will be the least of the following amounts:

- a. The Limit of Insurance applying to the damaged property;
- b. The actual cash value (replacement cost less depreciation) of the property;

- c. The cost of reasonably restoring that property to its condition immediately before "loss"; or
- d. The cost of replacing that property with used, but substantially identical property.

In the event of "loss," the value of property will be determined as of the time of "loss."

If a covered "loss" occurs to an item of Covered Property and the total amount of this "loss" is less than 20% of the value of the item at the time of "loss," no depreciation will be applied to the item in the settlement of the claim.

### 3. Coinsurance

All Covered Property must be insured for 90% of its value at the time of "loss" or you will incur a penalty. The penalty is that we will only pay the proportion of any "loss" that the applicable Limit of Insurance shown in the Declarations for the lost or damaged item bears to 90% of its value at the time of "loss."

### F. DEFINITIONS

- 1. "Loss" means accidental loss or damage.
- 2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "Normal" means the condition that would have existed had no "loss" occurred.
- 4. "Working Day" means the period of twenty-four (24) consecutive hours of a normally scheduled workday, beginning at midnight following the "loss."

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****LIMITED POLLUTION LIABILITY EXTENSION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS LIABILITY COVERAGE FORM****A. Exclusion B.1.f. Pollution in Section II – Liability** is replaced by the following:

This insurance does not apply to:

**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 used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(b) 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

(c) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations 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";

(d) At or from a storage tank or other container, ducts or piping which is below or partially below the surface of the ground or water or which, at any time, has been buried under the surface of the ground or water and then subsequently exposed by erosion, excavation or any other means if the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" arises at or from any premises, site or location:

(i) Which is or was at any time owned or occupied by, or rented or loaned to, any insured; or

(ii) 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.

Subparagraph (d) does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

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

(a) Request, demand, order or statutory or regulatory requirement issued or made pursuant to any environmental protection or environmental liability statutes or regulations that any insured 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 those sums the insured becomes legally obligated to pay as 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.

**B.** 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":

1. The "Each Occurrence Limit" shown in the Declarations does not apply.

2. Paragraph **D.1., Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

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

(1) Insureds;



- (2) Claims made or "suits" brought; or
  - (3) Persons or organizations making claims or bringing "suits".
3. The following is added to **Paragraph D. Liability And Medical Expenses Limits Of Insurance**:
5. The Limited Pollution Liability Extension Aggregate Limit shown in the Declaration is the most we will pay for the sum of all damages because of "bodily injury", "property damage" or medical expenses arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".



## BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION G – PROPERTY DEFINITIONS, and SECTION H – MALICIOUS CODE, SYSTEM PENETRATION, AND DENIAL OF SERVICE DEFINITIONS.**

### A. COVERAGE

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

#### 1. Covered Property

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

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

- (1) Completed Additions;
- (2) Fences
- (3) Fixtures, including outdoor fixtures;
- (4) Retaining walls, whether or not attached;
- (5) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (6) Outdoor swimming pools;
- (7) Personal Property owned by you that is used to maintain or service the building or structure or the premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings;

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(e) Lawn maintenance and snow removal equipment; and

(f) Alarm systems;

(8) If not covered by other insurance:

(a) Alterations and repairs to the building structure;

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

**b. Business Personal Property** located in or on the buildings at the described premises or in the open (or in a vehicle) within 1,000 feet of the described premises, including:

(1) Property that you own that is used in your business;

(2) Property of others that is in your care, custody or control;

(3) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the building or structure you occupy or lease but do not own; and

(b) You acquired or made at your expense but are not permitted to remove;

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

## 2. Property Not Covered

Covered Property does not include:

- a. Aircraft;
- b. Automobiles held for sale;
- c. Vehicles or self-propelled machines that are:
  - (1) Licensed for use on public roads (subject to motor vehicle registration); or
  - (2) Operated principally away from the described premises;

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos that you manufacture, process or warehouse;
- (2) Vehicles or self-propelled machines, other than autos, that you hold for sale; or
- (3) Trailers or semi-trailers, except as provided in the Non-Owned Detached Trailers Coverage.
- d. Dams or dikes;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavating, grading, backfilling or filling (except those costs necessary due to repair of buildings insured under this Coverage Form from a Covered Cause of Loss), reclaiming or restoring land or water;
- g. Water or land whether in its natural state or otherwise (including land on which the property is located), land improvements, growing crops or standing timber;
- h. Outdoor trees, shrubs, plants and lawns, other than "stock" except as provided in the Outdoor Trees, Shrubs, Plants and Lawns Additional Coverage;
- i. The following property while outside of the buildings:
  - (1) Bridges, walks, roadways, patios or other paved surfaces; or
  - (2) Outdoor radio or television antennas (including satellite dishes) and including their lead-in wiring, masts or towers;Except as provided in the Outdoor Property Coverage Extension;
- j. Watercraft (including motors, equipment and accessories) while afloat;

- k. Accounts and bills, except as provided in the Accounts Receivable Coverage Extension;
- l. "Valuable Papers and Records", except as provided in the Valuable Papers and Records Coverage Extension;
- m. Property that is covered under another Coverage Form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- n. "Fine Arts", except as provided in the Fine Arts Additional Coverage;
- o. Bullion, gold, silver, platinum and other precious alloys or metals, unless they are used in your "operations" (theft limitation applies);
- p. "Electronic data processing equipment" and "Electronic media and data" (not including "stock"), except as provided in the Electronic Data Processing Equipment, Electronic Media and Data and Electronic Data (EDP Coverage Form) Coverage Extension, the Business Income And Extra Expense Coverage Extension, the Accounts Receivable Coverage Extension or the Targeted Hacker Attack Coverage Extension;  

Your Business Personal Property coverage is extended to provide excess coverage for loss to the Electronic Data Processing Equipment and Electronic Media and Data (EDP Coverage Form) located only at the described premises and resulting from a covered cause of loss. All exclusions applicable to Business Personal Property apply to this excess coverage. This excess coverage is included in and is not in addition to the limits applicable to your Business Personal Property.
- q. Outdoor signs, except as provided in the Signs Coverage Extension.

## 3. Covered Causes of Loss

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

- a. Excluded in section B. EXCLUSIONS;
- b. Limited in paragraph A.4. Limitations; or
- c. Excluded or limited by other provisions of this policy.

#### 4. Limitations

a. We will not pay for loss of or damage to:

(1) The "interior of any building or structure" or to personal property in the building or structure, caused by rain, snow, sleet or ice whether driven by wind or not, unless:

(a) The building or structure first sustains actual damage to the roof or walls by wind or hail and then we will pay only for the loss to the "interior of the building or structure" or the personal property in the building or structure that is caused by rain, snow, sleet, sand or dust entering the building(s) or structure(s) through openings in the roof or walls made by direct action of wind; or

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

(2) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gasses or fuel within the furnace of any fired vessel or within the flues or passages through which the gasses of combustion pass.

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

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

(1) Live animals, birds or fish, and then only if they are killed or their destruction is made necessary

(2) Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This limitation does not apply to:

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

(b) Containers or property held for sale; or

(c) Photographic or scientific instrument lenses.

c. For loss or damage by theft, the following types of property are covered only up to the limits shown:

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

(2) \$5,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item.

(3) \$25,000 for patterns, dies, molds and forms.

d. We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss if the building where loss or damage occurs has been "vacant" for more than 60 consecutive days before that loss or damage occurs:

(1) Vandalism;

(2) Sprinkler leakage, unless you have protected the system against freezing;

(3) Building glass breakage;

(4) Discharge or leakage of water;

(5) "Theft"; or

(6) Attempted "theft".

With respect to Covered Causes of Loss other than those listed in 4.d.(1) through 4.d.(6) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

#### 5. Additional Coverages

Additional Coverages may be attached to this Policy (designation would appear in the attached form(s)). Unless otherwise stated, payments made under these Additional Coverages are in addition to the applicable Limits of Insurance.

#### 6. Coverage Extensions

Coverage forms may be attached to this Policy and designated as Coverage Extensions (such designation would appear in the attached form(s)). Unless otherwise stated, payments made under these Coverage Extensions are

subject to and not in addition to the applicable Limits of Insurance in this Coverage Form.

## B. EXCLUSIONS

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

### a. Ordinance or Law

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

### b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

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

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

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

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

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

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

### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

### d. Nuclear Hazard

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

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

### e. Power Failure or Fluctuation

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

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

### f. War And Military Action

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

**g. Water**

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

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

**h. Neglect**

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

**i. Collapse of Buildings**

Collapse of buildings meaning an abrupt falling down or caving in of a building or any part of a building with the result being that the building or part of a building cannot be occupied for its intended purpose.

- (1) This exclusion does not apply to collapse of buildings if caused only by one or more of the following:
  - (a) A "specified cause of loss" or breakage of building glass;

- (b) Decay, insect or vermin damage that is hidden from view, unless the presence of such decay or insect or vermin damage is known to an insured prior to collapse;
- (c) Weight of people or personal property;
- (d) Weight of rain that collects on a roof; or
- (e) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation; or
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in Paragraphs (a) through (d) above.

In the event collapse results in a Covered Cause of Loss, we will only pay for the resulting loss or damage by that Covered Cause of Loss.

- (2) We will not pay for loss of or damage to the following types of property, if otherwise covered in this Coverage Form under Paragraphs (1)(b) through (1)(f) above, unless the loss or damage is a direct result of the collapse of a building:
  - (a) Awnings, gutters and downspouts;
  - (b) Outdoor radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers;
  - (c) Fences;
  - (d) Piers, wharves and docks;
  - (e) Beach or diving platforms or appurtenances;
  - (f) Retaining walls;
  - (g) Walks, roadway and other paved surfaces;
  - (h) Yard fixtures; or
  - (i) Outdoor swimming pools.
- (3) A building or part of a building that:

(a) Is in imminent danger of abruptly falling down or caving in; or

(b) Suffers a substantial impairment of structural integrity;

is not considered to have collapsed but is considered to be in a state of imminent collapse.

(4) With respect to buildings in a state of imminent collapse, we will not pay for loss or damage unless the state of imminent collapse first manifests itself during the policy period and is caused only by one or more of the following which occurs during the policy period:

(a) A "specified cause of loss" or breakage of glass

(b) Weight of people or personal property;

(c) Weight of rain that collects on a roof; or

(d) Use of defective material or methods in construction, remodeling or renovation if the state of imminent collapse occurs during the course of construction, remodeling or renovation.

**j. Malicious Code**

Any "malicious code".

**k. System Penetration**

Any "system penetration".

**l. Denial of Service**

Any "denial of service".

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

**a. Electrical Apparatus**

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

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

**b. Consequential Loss**

Delay, loss of use or loss of market.

**c. Smoke, Vapor, Gas**

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

**d. Other Types Of Loss**

(1) Wear and tear;

(2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.

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

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

(d) Changes in flavor, color, texture or finish;

(e) Evaporation or leakage; or

(8) Contamination by other than "pollutants".

But if an excluded cause of loss that is listed in Paragraphs (1) through (8) above results in a "specified cause of loss", building glass breakage, or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss), we will pay for the loss or damage caused by that "specified cause of loss", building glass breakage or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss).

**e. Steam Apparatus**

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

of any fired vessel or within the flues or passages through which the gases of combustion pass.

**f. Seepage**

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

**g. Frozen Plumbing**

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

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

**h. Dishonesty**

Dishonest or criminal acts by you, or any of your partners, "members", officers, "managers", "employees" (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

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

This exclusion does not apply to acts of destruction to your property, or your "Electronic data processing equipment", "Electronic media and data", and "Electronic data", by your "employees" (including leased employees); but theft by employees (including leased employees) is not covered, except as provided in the Employee Dishonesty Additional Coverage.

**j. False Pretense**

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

**k. Exposed property**

Rain, snow, sand, dust, ice or sleet to personal property in the open, except as provided in the Coverage Extension for Outdoor Property.

**l. Pollution**

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

m. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This exclusion does not apply to "money" and "securities"

n. Loss of property or that part of any loss, the proof of which as to its existence or amount is dependent on:

- (1) Any inventory computation; or
- (2) A profit and loss computation.

o. The transfer of property to a person or to a place outside the described premises on the basis of unauthorized instructions.

p. Loss of "money" or "securities" caused by or resulting from accounting or arithmetic errors or omissions.

q. The cost of correcting or making good the damage to personal property attributable to such property being processed, manufactured, tested, repaired, restored, retouched or otherwise being worked on.

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

**a. Weather Conditions**

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

**b. Acts or Decisions**

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

**c. Negligent Work**

Faulty, inadequate or defective:

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

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

If an excluded cause of loss that is listed in Paragraphs (1) through (4) above results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

- (1) Any cost of correcting or making good the fault, inadequacy or defect itself, including any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect; or
- (2) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.

**4. Business Income and Extra Expense Exclusions**

a. We will not pay for:

- (1) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".

b. Any other consequential loss.

**C. Limits of Insurance**

1. Unless otherwise stated, the most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedules, Coverage Forms, or endorsements.

**2. Inflation Guard**

a. When a percentage for Inflation Guard is shown in the Declarations, the Limit of Insurance for property to which this coverage applies will automatically increase by that annual percentage.

b. The amount of increase will be:

(1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, multiplied by

(2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 5% is .05), multiplied by

(3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

The applicable Building limit is \$100,000

The annual percentage increase is 5%

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

The amount of increase is  
 $\$100,000 \times .05 \times (146/365) = \$2,000$

**D. DEDUCTIBLES**

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Businessowners Property Coverage Deductible amount shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

2. Regardless of the amount of the Businessowners Property Coverage Deductible, the most we will deduct from any loss or damage under the Building Glass Coverage

Extension in any one occurrence is the Building Glass Deductible shown in the Declarations.

3. The Businessowners Property Coverage Deductible does not apply to any of the following if they are included as part of this policy:
  - a. Fire Department Service Charge
  - b. Business Income and Extra Expense
  - c. Arson and Theft Reward; and
  - d. Accounts Receivable;
  - e. Any other property coverage with a specific deductible amount shown in the coverage form or declaration.
4. If more than one deductible applies to loss or damage in any one occurrence, we will apply each deductible separately. But the total of all deductible amounts applied in any one occurrence will not exceed the largest applicable deductible.

## E. PROPERTY LOSS CONDITIONS

### 1. Abandonment

There can be no abandonment of any property to us.

### 2. Appraisal

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

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

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

### 3. Duties In The Event Of Loss Or Damage

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

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

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

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

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

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

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

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

**4. Loss Payment – Building and Personal Property**

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

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

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of 4.e. below or any applicable provision which amends or supersedes the value of Covered Property.

b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property, except as provided in the Ordinance or Law Additional Coverage.

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

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

e. We will determine the value of Covered Property as follows:

(1) At replacement cost (without deduction for depreciation), except as provided in (2) through (18) below.

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

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

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

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

With respect to tenants' improvements and betterment's, the following also applies:

a) If the conditions in (b)(i) and (b)(ii) Above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth under 4e.(7) below; and

b) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

(c) We will not pay more for loss or damage on a replacement cost basis than the least of (i), (ii), or (iii) Subject to (d) below:

(i) The Limit of Insurance applicable to the lost or damaged property;

(ii) The cost to replace the lost or damaged property with other property:

a) Of comparable material and quality; and

b) Used for the same purpose; or

(iii) The amount actually spent that is necessary to repair or replace the lost or damaged property.

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

(d) The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

(2) If the Declarations indicate that Actual Cash Value applies to Buildings or

Business Personal Property, paragraph (1) above does not apply to the property for which Actual Cash Value is indicated.

- (3) Property of others at the amount you are liable plus the cost of labor, materials, or services furnished or arranged by you on personal property of others, not to exceed the replacement cost.
- (4) The following property at actual cash value:
  - (a) Used or second-hand merchandise held in storage or for sale;
  - (b) Household furnishings;
  - (c) Personal effects.
- (5) "Fine Arts" as follows:
  - (a) If there is a schedule of "fine arts" on file which includes a description and value of the lost or damaged item, we will pay the value as stated in the schedule for that item if there is a total loss to that item. If there is a partial loss to an item, we will pay the cost of reasonably restoring or repairing that item.
  - (b) For "fine arts" without a schedule on file as described in paragraph (a) above, the value of "fine arts" will be the least of the following amounts:
    - (i) Market value of the lost or damaged item at the time and place of loss;
    - (ii) The cost of reasonably restoring the lost or damaged item; or
    - (iii) The cost of replacing that lost or damaged item with property substantially the same.
- (6) Glass at the cost of replacement with safety glazing material if required by law.
- (7) Tenants' Improvements and Betterments at:
  - (a) Replacement cost if you make repairs promptly.
  - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

- (i) Multiply the original cost by the number of days from the loss or damage to the expiration date of the lease; and
- (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

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

- (c) Nothing, if others pay for repairs or replacement.
- (8) "Valuable Papers and Records" at the cost of restoration or replacement. To the extent that the contents of the "valuable papers and records" are not restored or replaced, the "valuable papers and records" will be valued at the cost of replacement with blank material of substantially identical type.
- (9) "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- (10) Property in transit (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may have accrued or become legally due from you since the shipment. If you have no invoice, the actual cash value will apply.
- (11) "Money" at its face value.
- (12) "Securities" at their value at the close of business on the day the loss is discovered.
- (13) Accounts Receivable as follows:
  - (a) If you cannot accurately establish the amount of Accounts Receivable outstanding as of the time of loss, we will:
    - (i) Determine the total of the average monthly amounts of Accounts Receivable for the 12 months immediately preceding the month in which the loss occurs; and
    - (ii) Adjust that total for any normal fluctuations in the amount for

Accounts Receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.

- (b) If you can accurately establish the amount of Accounts Receivable outstanding, that amount will be used in the determination of loss.
- (c) The following will be deducted from the total amount of Accounts Receivable, however that amount is established:
  - (i) The amount of the accounts for which there was no loss;
  - (ii) The amount of the accounts that you are able to reestablish or collect;
  - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
  - (iv) All unearned interest and service charges.

- (14) "Electronic Data Processing Equipment" at replacement cost as of the time and place of loss, without deduction for physical deterioration, depreciation, obsolescence or depletion. However, in the event of replacement of "electronic data processing equipment" with identical property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but which may include technological advances.

"Electronic data processing equipment" that is obsolete or no longer used by you will be valued at actual cash value.

- (15) "Electronic Media and Data" at the cost of the same or similar blank media.

- (16) "Electronic Data":

- (a) For which duplicates or back-ups do not exist, will be valued at your cost to research, replace or restore the "electronic data", but only if the "electronic data" is actually replaced or restored.
- (b) For which full duplicates or back-ups exist, will be valued at your cost of labor to copy the "electronic data" from such duplicates or back-ups,

but only if the "electronic data" is actually copied.

- (c) For which partial duplicates or back-ups exist, will be valued at your cost of labor to copy the partial "electronic data" from such duplicates or back-ups, and your cost to research, replace or restore the remaining "electronic data", but only if the "electronic data" is actually copied and replaced or restored.

- (d) In the event that you are not able to copy "electronic data" from back-ups, or replace or restore, "electronic data" will be valued at your cost of labor up to the point in time that you reach that determination.

- (17) The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in determining the value of Covered Property:

- (a) Distilled spirits;
- (b) Wines;
- (c) Rectified products; or
- (d) Beer.

- (18) Lottery tickets at their initial cost to you except for winning tickets at their redeemed value.

f. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property, if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- g. We may elect to defend you against suits arising from claims of owners of property. We will do so at our expense.
- h. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss provided you have complied with all of the terms of this policy; and
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

- i. At our option, we may make a partial payment toward any claims, subject to the policy provisions and our normal adjustment process. To be considered for partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.

**5. Loss Payment – Business Income and Extra Expense**

- a. If the Declarations indicate that Business Income and Extra Expense applies to Buildings or Business Personal Property, the amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage occurred, but not including any likely increase in Net Income attributable to an increase in the volume of business as a result if favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume “operations” with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
  - (a) Your financial records and accounting procedures;
  - (b) Bills, invoices and other vouchers; and
  - (c) Deeds, liens or contracts.

- b. The amount of Extra Expense will be determined based on:

- (1) All reasonable and necessary expenses that exceed the normal operating expenses that would have been incurred by “operations” during the “period of restoration” if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
  - (a) The salvage value that remains of any property bought for temporary use during the “period of

restoration”, once “operations” are resumed; and

- (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- (2) All reasonable and necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

- 6. We will reduce the amount of your:

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

- 7. If you do not resume “operations”, or do not resume “operations” as quickly as possible, we will pay based on the length of time it would have taken to resume “operations” as quickly as possible.

- 8. We will pay for covered loss or damage within 30 days after we receive your sworn proof of loss provided you have complied with all of the terms of this policy; and

- (1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

**9. Vacancy**

**a. Description of Terms**

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

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

- (b) When this policy is issued to the owner or general lessee of a

building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

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

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

#### **b. Vacancy Provisions**

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

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

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

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

#### **10. Recovered Property**

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

#### **11. Noncumulative Limit**

No Limit of Insurance cumulates from policy period to policy period.

### **F. COMMERCIAL PROPERTY CONDITIONS**

#### **1. Concealment, Misrepresentation or Fraud**

This policy is void in any case of fraud by you if it relates to this policy at any time. It is also void if you or any other insured, at any time,

intentionally conceal or misrepresent a material fact concerning:

- a. This policy;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this policy.

#### **2. Control of Property**

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

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

#### **3. Insurance Under Two or More Coverages**

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

#### **4. Legal Action Against Us**

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

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

#### **5. Liberalization**

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

#### **6. No Benefit to Bailee**

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

#### **7. Other Insurance**

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Form. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that

described in Paragraph a. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

## 8. Policy Period, Coverage Territory

Under this Coverage Form:

- a. We cover loss or damage you sustain through acts committed or events occurring:
  - (1) During the policy period shown in the Declarations; and
  - (2) Within the coverage territory; and
- b. The coverage territory is:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; and
  - (3) Canada

## 9. Transfer of Rights of Recovery Against Others To Us

Applicable to the Businessowners Property coverage:

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

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

This will not restrict your insurance.

## 10. Coinsurance

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

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of

loss multiplied by the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property

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

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

We will pay the amount determined in step (4) or the limit of insurance, whichever is less.

For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

### Example No. 1 (Under Insurance):

When:

The value of the property is	\$250,000
The coinsurance percent for it is	90%
The Limit of Insurance for it is	\$112,500
The Deductible is	\$250
The amount of loss is	\$40,000

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

Step (2):  $\$112,500 / \$225,000 = .50$

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

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

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

### Example No. 2 (Adequate Insurance):

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	90%
The Limit of Insurance for	

it is \$225,000  
 The Deductible is \$250  
 The amount of loss is \$40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$225,000 (\$250,000 x 90%).

Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. Coinsurance does not apply to:
- (1) "Money" and "securities";
  - (2) Additional Coverages;
  - (3) Coverage Extensions; or
  - (4) Loss or damage in any one occurrence totaling less than \$2,500.

**11. Mortgageholders**

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

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to

comply with the terms of this Coverage Form:

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

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

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

**G. PROPERTY DEFINITIONS**

1. **"Banking Premises"** means the interior of that portion of any building which is occupied by a banking institution or similar safe depository.
2. **"Breakdown"**
  - a. Means:
    - (1) Failure of pressure or vacuum equipment;
    - (2) Mechanical failure, including rupture or bursting caused by centrifugal force; or
    - (3) Electrical failure including arcing;

That causes physical damage to "covered equipment" and necessitates its repair or replacement; and
  - (b) Does not mean:
    - (1) Malfunction, including but not limited to adjustment, alignment, calibration, cleaning or modification;
    - (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
    - (3) Damage to any vacuum tube, gas tube, or brush;

(4) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;

(5) Damage

**3. "Communication Supply Services"**

a. Means property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

(1) Communication transmission lines, including fiber optic transmission lines;

(2) Coaxial cables; and

(3) Microwave radio relays, except satellites and;

b. Does not mean overhead transmission lines.

**4. "Covered Equipment"**

a. Means the following types of equipment:

(1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;

(2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy;

(3) Fiber optic cable; and

(4) Hoists and cranes;

b. Does not mean any

(1) "Electronic data processing equipment";

(2) "Electronic media and data" or "electronic data";

(3) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;

(4) Insulating or refractory material;

(5) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair, or replace;

(6) Structure, foundation, cabinet or compartment supporting or containing the "covered equipment" or part of the "covered equipment" including pen-stock, draft tube or well casing;

(7) Vehicle, aircraft, self-propelled equipment or floating vessel, including any equipment mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel;

(8) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment; or

(9) Equipment or any part of such equipment manufactured by you for sale.

**5. "Diagnostic Equipment" means any:**

a. Equipment; or

b. Apparatus;

used solely for research, diagnostic, medical, surgical, therapeutic, dental or pathological purposes.

**6. "Electronic Data"**

a. Means information reduced to an electronic format for processing with and storage in "electronic data processing equipment", software and programming records and instructions used for "electronic data processing equipment".

b. Any reference to your "electronic data" means "electronic data" owned or licensed by you and stored on your "electronic data processing equipment".

c. Does not mean "valuable papers and records".

**7. "Electronic Media and Data"**

a. Means physical media on which "electronic data" is stored, and the "electronic data" stored thereon, including without limitation, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other repositories used with electronically controlled equipment.

b. Any reference to your "electronic media and data" means "electronic media and data" owned by you or controlled by you at the described premises.

c. "Electronic media and data" does not mean any "valuable papers & records".

**8. "Electronic Data Processing Equipment"**

a. Means any of the following equipment:

(1) Computers, facsimile machines, word processors, multi-functional telephones and computer servers, and

(2) Any component parts and peripherals of such equipment, including related surge protection devices.

b. "Electronic data processing equipment" does not mean equipment used to operate production type of:

- (1) Machinery; or
- (2) Equipment.

c. Any reference to your "electronic data processing equipment" means "electronic data processing equipment" used in your "operations" and controlled and operated by you, and includes any "electronic data processing equipment" controlled or operated by a third party on your behalf.

9. "Employee(s)" means:

a. Any natural person:

- (1) While in your service (and for 30 days after termination of service); and
- (2) Whom you compensate directly by salary, wages or commissions; and
- (3) Whom you have the right to direct and control while performing services for you.

b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.

c. Your directors or trustees while acting as a member of any of your elected or appointed committees to perform on your behalf specific, as distinguished from general, directorial acts.

But "employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character.

10. "Employee Dishonesty" means only dishonest acts, committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you, a partner, a "member" or a "manager" with the manifest intent to:

- a. Cause you to sustain loss; and also
- b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other

employee benefits earned in the normal course of employment) for:

(1) The "employee"; or

(2) Any person or organization intended by the "employee" to receive that benefit.

11. "Fine Arts"

a. Means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glass, bric-a-brac, and similar property with historical value, or artistic merit; and

b. Does not mean any glass that is a part of a building or structure.

12. "Forgery" means the signing of the name of another person or organization with intent to deceive. "Forgery" does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity for any purpose.

13. "Interior of any building or structure" as used in this policy means all portions of the structure that are within the exterior skin of the structure's walls and roof, including, but not limited to lathe, sand paper, framing, wallboard and tarpaper.

14. "Maintenance Fees" means the regular payment made to you by unit-owners and used to service the common property.

15. "Manager" means a person serving in a directorial capacity for a limited liability company.

16. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

17. "Money" means currency and coins in current use, bank notes, travelers checks, register checks and money orders held for sale to the public.

18. "Operations" means the type of your business activities occurring at the described premises and tenantability of the described premises.

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

- a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. Ends on the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when business is resumed at a new permanent location.

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

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

(b) Regulates the prevention, control, repair, clean-up or restoration of environmental damage.

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

20. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste, and any unhealthful or hazardous building materials (including but not limited to asbestos and lead products or materials containing lead.). Waste includes materials to be recycled, reconditioned or reclaimed.

21. **"Power Generating Equipment"**

a. Means the following types of equipment or apparatus:

- (1) Pressure;
- (2) Mechanical; or
- (3) Electrical;

Used in or associated with the generation of electrical power; and

b. Does not mean such equipment that is used solely to generate emergency power that is less than or equal to 1000KW

22. **"Power Supply Services"**

a. Means the following types of property supplying electricity, steam or gas to the described premises:

- (1) Utility generating plants;
- (2) Switching stations;
- (3) Substations;
- (4) Transformers; and
- (5) Transmission Lines; and

b. Does not mean overhead transmission lines.

23. **"Production Equipment"**

a. Means any:

- (1) Production machinery; or
- (2) Process machinery that processes, shapes, forms or grinds:
  - i. Raw materials;
  - ii. Materials in process; or
  - iii. Finished products; and

b. Includes "covered equipment" that is used solely with or forms an integral part of the:

- (1) Production;
- (2) Process; or
- (3) Apparatus.

24. **"Rental Value"** means Business Income that consist of:

a. Net income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including the fair rental value of any portion of the described premises which is occupied by you; and

b. Continuing normal operating expenses incurred in connection with that premises, including:

- (1) Payroll; and
- (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

25. **"Securities"** means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes :

- a. Tokens, tickets except lottery tickets, revenue and other non-postage stamps whether or not in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;

but does not include "money". Lottery tickets held for sale are not securities.

26. **"Specified causes of loss"** means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire

extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

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

(1) The cost of filling sinkholes; or

(2) Sinking or collapse of land into man-made underground cavities.

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

(1) Personal Property in the open; or

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

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

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

28. **"Suspension"** means:

a. The partial or complete cessation of your business activities; or

b. That a part or all of the described premises is rendered untenable.

29. **"Theft"** means any act of stealing.

30. **"Vacant"** means the following

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

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

(1) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to

conduct its customary operations; and/or

(2) Used by the building owner to conduct customary operations.

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

a. Documents;

b. Manuscripts; and

c. Records;

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

But "valuable papers and records" does not mean:

a. "Money" or securities";

b. "Electronic data";

c. "Electronic media and data";

32. **"Water Supply Services"** means the following types of property supplying water to the described premises:

a. Pumping stations; and

b. Water mains.

#### H. MALICIOUS CODE, SYSTEM PENETRATION AND DENIAL OF SERVICE DEFINITIONS:

1. **"Denial of Service"** means any failure or inability of any person, user, customer, "electronic data processing equipment", computer system or computer network to communicate with, gain access to, or use, any "electronic data processing equipment", computer system, computer network, "electronic media and data" or "electronic data" because an excessive volume of data, requests or communications is sent to, received by or processed by such "electronic data processing equipment", computer system or computer network, and depletes the bandwidth, capacity or computational resources thereof, including without limitation, any business interruption caused by the foregoing.

2. **"Electronic Data Peril"** means:

a. Corruption, unauthorized use, distortion, deletion, damage, destruction or any other harm to, or misappropriation or copying of, "electronic data" or information;

b. Interruption, delay, disruption, suspension, loss of functionality of, inaccessibility to, unauthorized access to or inability to use or

- communicate with, “electronic data processing equipment”, “electronic media and data”, “electronic data”, computer resources, electronic devices, computer system, computer network or equipment; or
- c. Misappropriation, transfer or copying of any property, “money”, “securities” or “stock”, including without limitation, the use of any computer to cause such misappropriation, transfer or copying;
3. **“Malicious Code”** means any data, computer program, software, firmware or computer code designed to cause or result in, or that does cause or result in (whether designed to do so or not), any “electronic data peril”, including without limitation, computer viruses, worms or Trojan horses.
  4. **“Mass Attack Malware”** means any “malicious code”:
    - a. Capable of replicating or mutating;
    - b. Propagating, spreading or moving to other “electronic data processing equipment”, “electronic media and data”, “electronic data”, electronic devices, media, computer systems, equipment or computer networks, including without limitation, by attaching to applications, e-mails, e-mail attachments or otherwise;
    - c. Designed to exploit a vulnerability that is common to or present on more than one “electronic data processing equipment”, “electronic media and data”, “electronic data”, electronic devices, media, computer systems, equipment or computer networks; or
    - d. That infects, is stored upon, exists within or resides on more than one “electronic data processing equipment”, “electronic media and data”, “electronic data”, electronic device, media, computer system, equipment or computer network.
  5. **“Mass System Penetration”** means any “system penetration” that:
    - a. Exploits, or is designed to exploit, a vulnerability that is common to or present on more than one “electronic data processing equipment”, “electronic media and data”, “electronic data”, electronic devices, media, computer systems, equipment or computer networks; or
    - b. Targets or exploits more than one “electronic data processing equipment”, “electronic media and data”, “electronic data”, electronic device, media, computer system, equipment or computer network.
  6. **“System Penetration”** means any access to or use of any “electronic data processing equipment”, “electronic media and data”, “electronic data”, electronic device, computer system, equipment or computer network intended to cause or result in, or that does cause or result in, any “electronic data peril”, which is not directly or indirectly enabled by “malicious code” and which is achieved by a person without the use or assistance, directly or indirectly, of “malicious code.”
  7. **“Targeted Hacker Attack”** means the corruption, distortion, damaging, deletion or destruction of your “electronic data” resulting from “targeted system penetration” or “targeted malware.”
  8. **“Targeted Malware”** means any “malicious code” that:
    - a. Is intended by a hacker to specifically infect, or be stored or reside on, only your “electronic data processing equipment”;
    - b. Is incapable of replicating, mutating, propagating, spreading or moving to other “electronic data processing equipment”, “electronic media and data”, “electronic data”, electronic devices, media, computer systems or computer networks;
    - c. Does not infect or reside on any other “electronic data processing equipment”, “electronic media and data,” “electronic data”, computer system, electronic device, or computer network that is not yours; and
    - d. Exploits a vulnerability that is unique to, and present on, only your “electronic data processing equipment”, and such vulnerability is not common to or present on any other “electronic data processing equipment”, computer, electronic device, medium, computer system, equipment or computer network.
  9. **“Targeted System Penetration”** means “system penetration” that is designed to target and exploit, and that does target and exploit, a vulnerability that is unique to, and present on, only your “electronic data processing equipment”, and such vulnerability is not common to or present on any other “electronic data processing equipment”, computer, electronic device, medium, computer system, equipment or computer network.





**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

**SCHEDULE**

**Name Of Person Or Organization:**

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

The following is added to Paragraph C. **Who Is An Insured:**

4. Any person or organization shown in the Schedule is also an insured, but only with respect to "bodily injury", or "property damage" or "personal and advertising injury" arising out of your ongoing operations or premises owned by or rented to you.



## PERSONAL PROPERTY OF OTHERS COVERAGE

### SPECIAL FORM

#### SCHEDULE

LIMIT OF INSURANCE: \$

DEDUCTIBLE: \$

\* Information required to complete this schedule, if not shown on this endorsement, will be shown in the Declarations.

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

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

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

#### A. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form, means personal property of others that is in your care, custody or control.

##### 2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, documents, records, deeds, evidences of debt, money, notes, securities or stamps;
- b. Animals, birds or fish;
- c. Automobiles, motor trucks, trailers or other vehicles that are licensed for use on public roads and are used to transport persons or property;
- d. Aircraft or watercraft;
- e. Jewelry, watches, precious or semiprecious stones, bullion, gold, silver, platinum or other precious metals or alloys;
- f. Furs, fur garments or garments trimmed with fur;
- g. Property while in the custody of other bailees unless the property is:
  - (1) At a premises described in the Declarations; or
  - (2) In the custody of a carrier for hire;
- h. Property while waterborne except while on ferries operating on the navigable waters of the Continental United States and Canada other than to or from Alaska.

i. Contraband, or property in the course of illegal transportation or trade.

##### 3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

##### 4. Extensions

###### a. Confusion of Property

We also cover "loss" resulting from confusion of the Covered Property caused by a Covered Cause of Loss.

The limit for this Coverage Extension is included within the Limit of Insurance applicable to the premises where the "loss" occurs.

###### b. Debris Removal

(1) We will pay your expense to remove debris of Covered Property from any location described in the Declarations caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be 180 days of the earlier of:

- (a) The date of direct physical "loss"; or
- (b) The end of the policy period.

(2) The most we will pay under this Coverage Extension is the lesser of:

- (a) 25% of the applicable Limit of Insurance for direct physical "loss" to Covered Property; or
- (b) \$25,000.

The limit for Debris Removal is separate from the Limit of Insurance that applies to other Causes of Loss.

- (3) The Coverage Extension does not apply to cost to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

**c. Preservation of Property**

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

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

The limit for this Coverage Extension is included within the Limit of Insurance applicable to the premises from which the property is moved.

**B. EXCLUSIONS**

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

**a. Earth Movement**

- (1) Any earth movement, such as an earthquake, landslide, or earth sinking, rising or shifting.

But we will pay for direct "loss" caused by resulting fire or explosion, if these would be covered under this Coverage Form.

- (2) Volcanic eruption, explosion or effusion.

But we will pay for direct "loss" caused by resulting fire or volcanic action. If these causes of "loss" would be covered under this Coverage Form.

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

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

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

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

This exclusion does not apply to property in transit.

**b. Government Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

**c. Nuclear Hazard**

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

**d. War and Military Action**

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

**e. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up from a sewer or drain;
- (4) Water that seeps, leaks or flows below the surface of the ground; or
- (5) Any release of water impounded by a dam.

But we will pay for direct "loss" caused by resulting fire, explosion or theft if these causes of "loss" would be covered under this Coverage Form.

This exclusion does not apply to property in transit.

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

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Dishonest acts by you, anyone else with an interest in the property, you or their employees or authorized representatives or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment. This exclusion does not apply to property in the custody of a carrier for hire.
- c. Unexplained disappearance.
- d. Theft of property left on a delivery vehicle overnight, unless the vehicle was within a fully enclosed and locked building and there is evidence of forced entry into that building.
- e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by a fraudulent scheme, trick, device or false pretense.

This exclusion does not apply to property in the custody of a carrier for hire.

- f. Unauthorized instructions to transfer property to any person or to any place.

**3.** We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss."
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or government body.
- c. Faulty, inadequate or defective:
  - (1) Planning, zoning, development, surveying, siting;
  - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation or remodeling; or

- (4) Maintenance of any part or all of any property wherever located.

Exclusions (2) and (4) above do not include breakage or damage as a result of workmanship, repair or maintenance. Intentional breakage or damage is not covered.

- d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation; mechanical breakdown; insects, vermin, rodents; corrosion, rust, dampness or dryness, cold or heat.

**C. LIMITS OF INSURANCE**

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

**D. DEDUCTIBLE**

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss," before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

**E. ADDITIONAL CONDITIONS**

For the purposes of this coverage, the following conditions apply in addition to the Businessowners Common Policy Conditions:

**1. Coverage Territory**

We will cover property while:

- a. At any premises described in the Declarations; and
- b. In transit at your risk;

Whenever located within:

- (1) The United States of America and its territories or possessions;
- (2) Puerto Rico; and
- (3) Canada.

**2. Valuation**

The value of Covered Property will be the least of the following amounts:

- a. The amount for which you are liable.
- b. The actual case value of that property.
- c. The cost of reasonably restoring that property to its condition immediately before "loss," or

- d. The cost of replacing that property with substantially identical property.

The value of Covered Property will include the actual cost of labor, materials or services furnished or arranged by you.

In the event of "loss," the value of property will be determined as of the time of "loss."

### 3. Coinsurance

All Covered Property except property in transit, must be insured for at least 80 percent of its total value as of the time of "loss" or you will incur a penalty.

The penalty is that we will pay only the proportion of any "loss" that the applicable Limit of Insurance shown in the Declarations for the premises at which the "loss" occurs bears to 80 percent of the total value of all Covered Property at that premises as of the time of "loss."

This penalty will not apply to property in transit.

### 4. Receipts for Property Accepted for Storage

You will issue your receipt for any property you accept from others for storage.

Your receipt will include:

- a. The name and address of the storer;
- b. The description of the property; and
- c. The amount of your liability for that property.

### 5. Records

You will keep accurate records of all Covered Property.

These records will include a copy of each receipt for storage.

You will retain these records for three years after the policy ends.

### 6. Privilege To Adjust With Owner

If the total "loss" covered by this Coverage Form is not more than \$250 in any one occurrence, you may settle the "loss" with the owner of that property.

You will have additional duties when you settle such a "loss."

You must:

- a. Fully comply with all provisions of the Coverage Form in your settlement; and
- b. Promptly send us the properly completed statements of "loss" on the forms we have supplied to you.

We will reimburse you for any payment you make according to this condition after deduction of any applicable deductible.

We will do this within 30 days after we have received the statements of "loss" that we require.

## F. DEFINITIONS

"Loss" means accidental loss or damage.



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

**SEWER OR DRAIN BACK UP**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM  
CONCURRENT CAUSATION, EARTH MOVEMENT & WATER EXCLUSION CHANGES**

The following coverage is added to your Businessowners Special Property Coverage Form:

Subject to the Exclusions, Conditions and Limitations of this policy, you may extend this insurance as indicated below.

Unless otherwise stated, payments made under the following coverage will not increase the applicable Limits of Insurance.

We will pay for loss or damage to covered property caused by water that backs up from a sewer or drain, subject to the following limitations:

We will not pay for loss or damage under this Additional Coverage caused by the emanation of water from a sewer or drain that itself caused by, or is the result of:

- (1) "Flood", surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow.

The most we will pay for direct physical damage is the limit of insurance shown in the Declarations for Sewer or Drain Back Up.



## TRANSPORTATION COVERAGE – SPECIAL FORM

### SCHEDULE

LIMIT OF INSURANCE: \$

DEDUCTIBLE: \$

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

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

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

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

#### A. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form, means personal property used in your business that is in transit at your risk.

We cover property shipped:

- a. By any type of carrier described in the Declarations; or
- b. In or on any land vehicle or aircraft you own or operate.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, deeds, evidences of debt, money, notes, securities or other commercial papers or other documents of value;
- b. Bullion, gold, silver, platinum or other precious alloys or metals, furs, fur garments or garments trimmed with fur; jewelry, watches, precious or semiprecious stones or similar valuable property;
- c. The vehicle carrying the property or intermodal containers;
- d. Live animals, birds or fish except as follows:

We only cover such property for:

- (1) Theft; or
- (2) Death or destruction directly resulting from or made necessary by fire, lightning, windstorm, smoke, explosion, rioters, strikers, civil commotion, earthquake, flood, or by accident to the vehicle carrying the property, if these causes of "loss" would be covered under this Coverage Form;

- e. Property in the care, custody or control of a government postal service;

- f. Property you accept while acting as a:

- (1) Common or contract carrier;
- (2) Broker; or
- (3) Loader, consolidator or freight forwarder;

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

- h. Property while waterborne except:

- (1) While in transit by inland or coastwise water carriers if a limit for such carriers is shown in the Declarations; or

- (2) While on:

- (a) Any vessel used to transport property to or from the export or import conveyance when the export or import shipment is covered by this Coverage form; or

- (b) Ferries;

but only while operating on navigable waters of the Continental United States and Canada, other than to or from Alaska.

3. When Coverage Applies

We cover property:

- a. While in the custody of the carrier until the property is delivered at its destination. If the property is not delivered we cover the return of the property to you. We also cover the property while held temporarily by the receiver or carrier while awaiting its return to you.
- b. In or on any land vehicle or aircraft you own or operate while in transit from the time the

vehicle leaves the premises where the shipment begins until the vehicle arrives at its destination.

#### 4. Covered Causes of Loss

Covered Causes of Loss means RISK OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

#### 5. Coverage Extensions

##### a. F.O.B. Shipments

We will pay you for "loss" to property you ship on an F.O.B., meaning Free On Board, basis if you cannot collect the "loss" from the consignee. But we will only pay you the amount of your interest in the property.

##### b. General Average and Salvage

We will pay for your share of any general average and salvage charges in connection with any waterborne transit covered by this policy.

##### c. Loading and Unloading

We will pay for the "loss" to Covered Property resulting from:

(1) The moving and/or lifting of Covered Property onto the covered conveyance from the ground or a loading platform immediately adjacent to the covered conveyance; and

(2) The moving and/or lowering of Covered Property from the covered conveyance to the ground or a loading platform immediately adjacent to the covered conveyance.

##### d. Fraudulent Bills of Lading

We will pay for "loss" to Covered Property should you, your agents, messengers, customers or consignees accept fraudulent Bills of Lading, orders or receipts from anyone representing themselves to be the proper person to receive goods for shipment or accept goods for delivery.

##### e. Unauthorized Transfer

We will pay for "loss" to Covered Property resulting from unauthorized instructions to transfer Covered Property to any person or to any place.

##### f. Debris Removal

(1) We will pay your expenses to remove debris of Covered Property caused by or resulting from Covered Cause of Loss that occurs during the policy

period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical "loss."

This Additional Coverage does not apply to:

(a) Costs to extract "pollutants" from land or water; or

(b) Costs to remove, restore or replace polluted land or water.

(2) Payment for Debris Removal is included within the applicable Limit of Insurance shown in the Declarations. The most we will pay under this Additional Coverage is 25% of:

(a) The amount we pay for the direct physical "loss" to Covered Property; plus

(b) The deductible in this policy applicable to that "loss."

When the debris removal expense exceeds the above 25% limitation or the sum of "loss" to Covered Property and the expense for removal of its debris exceed the applicable Limit of Insurance we will pay an additional amount for debris removal expenses up to \$25,000 in any one occurrence.

##### g. Pollutant Cleanup and Removal

We will pay your expense to extract "pollutants" from land or water, if the release, discharge or dispersal of the "pollutants" is caused by or results from a Covered Cause of Loss which occurs to the Covered Property during the policy period.

The expenses will be paid only if reported to us in writing within 180 days of the direct physical "loss."

The most we will pay under this Additional Coverage is \$15,000 in any one year commencing with policy inception.

##### h. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for Fire Department Service Charges.

No deductible applies to this Additional Coverage.

**i. Reward Coverage**

We will reimburse you for reward(s) expense you have incurred leading to:

- (1) The successful return of undamaged stolen articles to a law enforcement agency; or
- (2) The arrest and conviction of any person(s) who have damaged or stolen any of your Covered Property.

We will pay 25% of the covered loss, prior to the application of any Deductible and recovery, up to a maximum of \$2,500 in any one occurrence for the reward payments you make. These reward payments must be documented.

No deductible applies to this Additional Coverage.

All the provisions of this Coverage Form apply to these Coverage Extensions. The limit for Coverage Extensions **a.**, **b.**, **c.**, and **d.** are included within the applicable Limit of Insurance. The limit for Coverage Extensions **f.**, **g.**, **h.**, and **i.** are in addition to the applicable Limit of Insurance.

**B. EXCLUSIONS**

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

**a. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

**b. Nuclear Hazard**

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

**c. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or

defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

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

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

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Dishonest acts by you, anyone else with an interest in the property, your or their employees or authorized representatives or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.

This exclusion does not apply to property in the custody of a carrier for hire.

- c. Spoilage; contamination, corrosion, rust, dampness or dryness, cold or heat, breakage, any change in appearance, smell, texture, taste or flavor.

But we will pay for "loss" caused directly by fire, lightning, windstorm, hail, smoke, explosion, rioters, strikers, civil commotion, vandalism, earthquake, flood, theft or attempted theft, or by accident to the vehicle carrying the property, if these causes of "loss" would be covered under this Coverage Form.

- d. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device, or false pretense.
- e. Unauthorized instructions to transfer property to any person or any place.
- f. The following exclusions apply only to property in or on any land vehicle you own or operate:

- (1) Contact of the vehicle carrying the property with any portion of the roadbed or curbing or with any stationary object while backing up for loading or unloading purposes; or
- (2) Contact of any property with any object unless the vehicle carrying the property also collides with that object.

3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss"

by a Covered Cause of Loss results, we will pay for that resulting "loss."

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss."
- b. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, insects, vermin or rodents.
- c. Theft of the property from any unattended vehicle, unless:
  - (1) The doors, windows and compartments of the vehicle were closed and locked at the time of theft; and
  - (2) The theft is a direct result of forced entry. There must be visible evidence of the forced entry.

This exclusion does not apply to property in the custody of a carrier for hire.

#### C. LIMITS OF INSURANCE

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

#### D. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of "loss," before applying the applicable Limits of Insurance, exceeds the Deductible shown in the Declarations for this coverage. We will then pay the amount of the "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

#### E. ADDITIONAL CONDITIONS

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

##### 1. Coverage Territory

We cover property in transit within and between:

- a. The United States of America and its territories or possessions;
- b. Puerto Rico; and
- c. Canada.

including their inland and coastwise waters, and air space.

##### 2. Valuation

General Condition Valuation is replaced by the following:

- a. The value of Covered Property will be:

- (1) The amount of invoice; or
- (2) In the absence of an invoice, the actual cash value of that property at the point of final destination.

b. In the event of "loss," we will pay:

- (1) Not more than the least of the following:
  - (a) The value of Covered Property;
  - (b) The cost of reasonably restoring that property to its condition immediately before "loss"; or
  - (c) The cost of replacing that property with substantially identical property;
- (2) Your prepaid freight charges; and
- (3) Any other shipping costs or charges that are incurred while the property is in transit.

#### 3. Claims Against Others

The following is added to Commercial Property Loss Conditions, Duties in the Event of Loss:

You must promptly make claim in writing against any other party which had custody of the Covered Property at the time of "loss."

#### 4. Impairment of Rights of Recovery

The following is added to Loss Condition Transfer of Rights of Recovery Against Others to Us:

You may accept bills of lading or shipping receipts issued by carriers that limit their liability to less than the actual value of the property.

#### 5. Labels

In the event of "loss" only to the identifying labels or wrappers containing the Covered Property, we will pay the cost to replace those labels or wrappers if the "loss" is caused by or results from a Covered Cause of Loss.

#### 6. Records

You will keep accurate records of all shipments covered by this Coverage Form. You will retain these records for three years after the policy ends.

#### F. DEFINITIONS

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



## TRANSPORTATION COVERAGE – DELUXE FORM

### SCHEDULE

LIMIT OF INSURANCE FOR OWNED CONVEYANCE:	\$
LIMIT OF INSURANCE FOR COMMON CARRIER CONVEYANCE:	\$
DEDUCTIBLE:	\$

\* Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

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

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

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

#### A. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form, means personal property used in your business that is in transit at your risk.

We cover property shipped:

- a. By any type of carrier described in the Declarations; or
- b. In or on any land vehicle or aircraft you own or operate.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, deeds, evidences of debt, money, notes, securities or other commercial papers or other documents of value;
- b. Bullion, gold, silver, platinum or other precious alloys or metals, furs, fur garments or garments trimmed with fur; jewelry, watches, precious or semiprecious stones or similar valuable property;
- c. The vehicle carrying the property or intermodal containers;
- d. Live animals, birds or fish except as follows:

We only cover such property for:

- (1) Theft; or
- (2) Death or destruction directly resulting from or made necessary by fire, lightning, windstorm, smoke, explosion, rioters, strikers, civil commotion, earthquake, flood, or by accident to the vehicle carrying the property, if these

causes of "loss" would be covered under this Coverage Form;

- e. Property in the care, custody or control of a government postal service;
- f. Property you accept while acting as a:
  - (1) Common or contract carrier;
  - (2) Broker; or
  - (3) Loader, consolidator or freight forwarder;
- g. Contraband, or property in the course of illegal transportation or trade;
- h. Property while waterborne except while on ferries operating on the navigable waters of the Continental United States and Canada other than to or from Alaska.

3. When Coverage Applies

We cover property:

- a. While in the custody of the carrier until the property is delivered at its destination. If the property is not delivered we cover the return of the property to you. We also cover the property while held temporarily by the receiver or carrier while awaiting its return to you.
- b. In or on any land vehicle or aircraft you own or operate while in transit from the time the vehicle leaves the premises where the shipment begins until the vehicle arrives at its destination.

4. Covered Causes of Loss

Covered Causes of Loss means RISK OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

**5. Coverage Extensions****a. F.O.B. Shipments**

We will pay you for "loss" to property you ship on an F.O.B., meaning Free On Board, basis if you cannot collect the "loss" from the consignee. But we will only pay you the amount of your interest in the property.

**b. General Average and Salvage**

We will pay for your share of any general average and salvage charges in connection with any waterborne transit covered by this policy.

**c. Loading and Unloading**

We will pay for the "loss" to Covered Property resulting from:

- (1) The moving and/or lifting of Covered Property onto the covered conveyance from the ground or a loading platform immediately adjacent to the covered conveyance; and
- (2) The moving and/or lowering of Covered Property from the covered conveyance to the ground or a loading platform immediately adjacent to the covered conveyance.

**d. Fraudulent Bills of Lading**

We will pay for "loss" to Covered Property should you, your agents, messengers, customers or consignees accept fraudulent Bills of Lading, orders or receipts from anyone representing themselves to be the proper person to receive goods for shipment or accept goods for delivery.

**e. Unauthorized Transfer**

We will pay for "loss" to Covered Property resulting from unauthorized instructions to transfer Covered Property to any person or to any place.

**f. Equipment Coverage**

We will pay up to \$2,500 in any one "loss" for your tarps, tie downs, carts, dollies and similar hand equipment used to load, unload, secure or protect property on your vehicles.

**g. Debris Removal**

- (1) We will pay your expenses to remove debris of Covered Property caused by or resulting from Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within

180 days of the date of direct physical "loss."

This Additional Coverage does not apply to:

- (a) Costs to extract "pollutants" from land or water; or
- (b) Costs to remove, restore or replace polluted land or water.

- (2) Payment for Debris Removal is included within the applicable Limit of Insurance shown in the Declarations. The most we will pay under this Additional Coverage is 25% of:

- (a) The amount we pay for the direct physical "loss" to Covered Property; plus
- (b) The deductible in this policy applicable to that "loss."

When the debris removal expense exceeds the above 25% limitation or the sum of "loss" to Covered Property and the expense for removal of its debris exceed the applicable Limit of Insurance we will pay an additional amount for debris removal expenses up to \$25,000 in any one occurrence.

**h. Pollutant Cleanup and Removal**

We will pay your expense to extract "pollutants" from land or water, if the release, discharge or dispersal of the "pollutants" is caused by or results from a Covered Cause of Loss which occurs to the Covered Property during the policy period.

The expenses will be paid only if reported to us in writing within 180 days of the direct physical "loss."

The most we will pay under this Additional Coverage is \$15,000 in any one year commencing with policy inception.

**i. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for Fire Department Service Charges.

No deductible applies to this Additional Coverage.

**j. Reward Coverage**

We will reimburse you for reward(s) expense you have incurred leading to:

- (1) The successful return of undamaged stolen articles to a law enforcement agency; or
- (2) The arrest and conviction of any person(s) who have damaged or stolen any of your Covered Property.

We will pay 25% of the covered loss, prior to the application of any Deductible and recovery, up to a maximum of \$2,500 in any one occurrence for the reward payments you make. These reward payments must be documented.

No deductible applies to this Additional Coverage.

All the provisions of this Coverage Form apply to these Coverage Extensions. The limit for Coverage Extensions **a.**, **b.**, **c.**, **d.** and **e.** are included within the applicable Limit of Insurance. The limit for Coverage Extensions **f.**, **g.**, **h.**, **i.** and **j.** are in addition to the applicable Limit of Insurance.

## B. EXCLUSIONS

1. We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."
  - a. Governmental Action  
Seizure or destruction of property by order of governmental authority.  
But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.
  - b. Nuclear Hazard
    - (1) Any weapon employing atomic fission or fusion; or
    - (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.
  - c. War and Military Action
    - (1) War, including undeclared or civil war;
    - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending any of these.
2. We will not pay for a "loss" caused by or resulting from any of the following:
  - a. Delay, loss of use, loss of market or any other consequential loss.
  - b. Dishonest acts by you, anyone else with an interest in the property, your or their employees or authorized representatives or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.  
This exclusion does not apply to property in the custody of a carrier for hire.
3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."
  - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss."
  - b. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.

## C. LIMITS OF INSURANCE

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

## D. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of "loss," before applying the applicable Limits of Insurance, exceeds the Deductible shown in the Declarations. We will then pay the amount of the "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

## E. ADDITIONAL CONDITIONS

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

### 1. Coverage Territory

We cover property in transit within and between:

- a. The United States of America and its territories or possessions;
- b. Puerto Rico; and
- c. Canada.

including their inland and coastwise waters, and air space.

## 2. Valuation

General Condition Valuation is replaced by the following:

a. The value of Covered Property will be:

- (1) The amount of invoice; or
- (2) In the absence of an invoice, the actual cash value of that property at the point of final destination.

b. In the event of "loss," we will pay:

- (1) Not more than the least of the following:
  - (a) The value of Covered Property;
  - (b) The cost of reasonably restoring that property to its condition immediately before "loss"; or
  - (c) The cost of replacing that property with substantially identical property;
- (2) Your prepaid freight charges; and
- (3) Any other shipping costs or charges that are incurred while the property is in transit.

## 3. Claims Against Others

The following is added to Commercial Property Loss Conditions, Duties in the Event of Loss:

You must promptly make claim in writing against any other party which had custody of the Covered Property at the time of "loss."

## 4. Impairment of Rights of Recovery

The following is added to Loss Condition Transfer of Rights of Recovery Against Others to Us:

You may accept bills of lading or shipping receipts issued by carriers that limit their liability to less than the actual value of the property.

## 5. Labels

In the event of "loss" only to the identifying labels or wrappers containing the Covered Property, we will pay the cost to replace those labels or wrappers if the "loss" is caused by or results from a Covered Cause of Loss.

## 6. Records

You will keep accurate records of all shipments covered by this Coverage Form. You will retain these records for three years after the policy ends.

## F. DEFINITIONS

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

## BUSINESSOWNERS LIABILITY COVERAGE FORM

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

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

The word "insured" means any person or organization qualifying as such under Section C. – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION F – LIABILITY DEFINITIONS.

### A. Coverages

#### 1. Business Liability (Bodily Injury, Property Damage, Personal and Advertising Injury)

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

- (1) The amount we will pay for damages is limited as described in Section D – Liability And Medical Expenses Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements or medical expenses to which this insurance applies.

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

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:
  - (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - (b) The "bodily injury" or "property damage" occurs during the policy period; and

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

- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

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

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

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

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

**f. Coverage Extension – Supplementary Payments**

(1) In addition to the Limit of Insurance of Liability 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 \$1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
- (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$250 a day because of time off from work.
- (e) All costs taxed against the insured in the "suit."
- (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

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:
  - (i) Agrees in writing to:
    - i. Cooperate with us in the investigation, settlement or defense of the "suit";
    - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - iii. Notify any other insurer whose coverage is available to the indemnitee; and
    - iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (ii) Provides us with written authorization to:
    - i. Obtain records and other information related to the "suit"; and

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

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

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

## 2. Medical Expenses

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;provided that:
  - (a) The accident takes place in the "coverage territory" and during the policy period;
  - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the 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.

## B. Exclusions

### 1. Applicable To Business Liability Coverage

This insurance does not apply to:

#### a. Expected Or Intended Injury

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

#### b. Contractual Liability

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

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

**c. Liquor Liability**

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

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

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

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

**e. Employer's Liability**

"Bodily Injury" to:

- (1) An "employee" of the insured 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 (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;

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

This exclusion does not apply to:

- (1) An aircraft that is:
  - (a) Hired, chartered, or loaned with a paid crew; but
  - (b) Not owned by any insured;
- (2) A watercraft while ashore on premises you own or rent;
- (3) 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;
- (4) 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;
- (5) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (6) Bodily injury" or "property damage" arising out of the operation of any of the following equipment:
  - (a) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - (b) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

**h. Mobile Equipment**

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

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

**i. War**

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

**j. Professional Services**

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

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;

- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services;
- (9) Services in the practice of pharmacy;
- (10) Veterinary medicine services;
- (11) Mortician services; and
- (12) Services rendered in connection with the creation and/or development, modification, or repair of "software," including, but not limited to design, specifications, system or "software" configuration and consultation.

**k. Damage To Property**

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or

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

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire or explosion) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Paragraph D. Liability And Medical Expenses Limit 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."

**i. Damage To Your Product**

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

**m. Damage To Your Work**

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

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

**n. Damage To Impaired Property Or Property Not Physically Injured**

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

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

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

**o. Recall Of Products, Work Or Impaired Property**

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

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

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

**p. Personal And Advertising Injury**

"Personal and advertising injury":

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

(9) Committed by an insured whose business is:

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

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under Paragraph **F.** Liability And Medical Expenses Definitions.

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

(10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

(11) With respect to any loss, cost or expense arising out of any:

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

(12) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.

(13) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement," of copyright, trade dress or slogan.

(14) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or

metatags, or any other similar tactics to mislead another's potential customers.

Exclusions **c.**, **d.**, **e.**, **f.**, **g.**, **h.**, **i.**, **k.**, **l.**, **m.**, **n.** and **o.** in **Section II – Liability** do not apply to damage by fire or explosion to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in Paragraph **D.** Liability And Medical Expenses Limits of Insurance.

## 2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

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

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

This insurance does not apply:

- a. Under Business Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
- (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
  - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the nuclear material"; if:
- (1) The "nuclear material":
    - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
    - (b) Has been discharged or dispersed therefrom;
  - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
  - (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
- d. As used in this exclusion:
- (1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
  - (2) "Hazardous properties" include radioactive, toxic or explosive properties;
  - (3) "Nuclear facility" means:
    - (a) Any "nuclear reactor";
    - (b) Any equipment or device designed or used for:
      - (i) Separating the isotopes of uranium or plutonium;
      - (ii) Processing or utilizing "spent fuel"; or
      - (iii) Handling, processing or packaging "waste";
    - (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
    - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;
  - (4) "Nuclear material" means "source material," "special nuclear material" or "byproduct material";
  - (5) "Nuclear reactor" means an apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
  - (6) "Property damage" includes all forms of radioactive contamination of property.
  - (7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
  - (8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

- (9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";
- (10) "Waste" means any waste material:
- (a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any one processed primarily for its "source material" content; and
  - (b) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraph (a) and (b) of the definition of "nuclear facility."

### C. Who Is An Insured

#### 1. If you are designated in the Declarations as:

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

#### 2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees," other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a

limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

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

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (a) above;

- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (a) or (b); or

- (d) Arising out of his or her providing or failing to provide professional health care services.

#### (2) "Property damage" to property:

- (a) Owned, occupied or used by,

- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees," "volunteer workers," any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

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

- (1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

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

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership of majority interest, will qualify as a Named Insured if there is no other similar insurance available to that 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. Bodily Injury and Property Damage coverage does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Personal and Advertising Injury coverage does not apply to "personal injury" or "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.

#### D. Liability And Medical Expenses Limits Of Insurance

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

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

2. The most we will pay for:

- a. Injury or damages under the "products completed operations hazard" arising from all "occurrences" during the policy period is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. All other injury or damages, including medical expenses, arising from all "occurrences" during the policy period is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

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

This aggregate Limit does not apply to "property damage" to premises rented to you arising out of fire, lightning or explosion.

3. Subject to item 2. above, the most we will pay for the sum of all damages because of all "bodily injury," "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expense Limit shown in the Declarations.

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

4. Subject to item 2. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

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

The Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning, or explosion or any combination of the three.

If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit," the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit." However, this paragraph does not apply to the Medical Expenses limit set forth in paragraph 3. above.

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

## **E. Businessowners 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 policy.

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

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

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

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

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

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

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

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

### **3. Financial Responsibility Laws**

a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.

b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

### **4. Legal Action Against Us**

No person or organization has a right under this policy:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this policy unless all of its terms have been fully complied with.

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

### **5. Separation Of Insureds**

Except with respect to the Limits of Insurance in this policy, and any rights or duties specifically

assigned in this policy to the first Named Insured, this insurance applies:

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

#### 6. Unintentional Failure to Disclose Hazards

It is agreed that based on our reliance on your representations as to existing hazards, if unintentionally you should fail to disclose all such hazards at the inception date of your policy, we shall not deny any coverage under this Coverage Form because of such failure.

#### F. Liability And Medical Expenses Definitions

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment."
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, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
  - (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - (2) Your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

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

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

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

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

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

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

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

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

- b. While it is in or on an aircraft, watercraft or "auto"; or

- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

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

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

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

- b. Vehicles maintained for use solely on or next to premises you own or rent;

- c. Vehicles that travel on crawler treads;

- d. Vehicles, whether self-propelled or not, on which are permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or

- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in Paragraphs 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 Paragraphs 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.
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 the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.
- b. Does not include "bodily injury" or "property damage" arising out of:
    - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
    - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
17. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purposes of this insurance, electronic data is not tangible property.
- As used in this definition, electronic data means information, facts or programs stored as, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing

devices or any other media which are used with electronically controlled equipment.

**18. "Software" means:**

- a. Electronic data processing, recording or storage media such as films, tapes, cards, discs, drums or cells; and
- b. Data and programming records used for electronic data processing or electronically controlled equipment stored on such media; and
- c. Written or printed data, such as programs, routines, and symbolic languages, essential to the operation of computers; and
- d. Documents containing information on the operation and maintenance of computers.

**19. "Suit" means a civil proceeding in which damages because of "bodily injury," "property damage," "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.

**20. "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.**

**21. "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.**

**22. "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.

**23. "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.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****TECHNOLOGY CHOICE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM  
BUSINESS INCOME AND EXTRA EXPENSE**

**A. The BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM, BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM, ADDITIONAL COVERAGES AND COVERAGE EXTENSIONS are changed as follows:**

1. With respect to Business Income and Extra Expense, the time frame referenced in Paragraph 3.b.(2) of the Business Income and Extra Expense Coverage form is increased from sixty consecutive days to ninety consecutive days.
2. The limit applicable to the Additional Coverage – Claim Data Expense referenced in Paragraph 3. of the Claim Data Expense coverage form is increased from \$5,000 to \$10,000.
3. The limit applicable to the Additional Coverage – Newly Acquired or Constructed Property for Business Personal Property, Paragraph 2.b. of the Newly Acquired or Constructed Property Coverage form is increased from \$250,000 to \$500,000.
4. The limit applicable to the Additional Coverage – Outdoor Trees, Shrubs, Plants and Lawns Coverage form, Paragraph 2, is increased from \$3,000 to \$5,000.
5. With respect to the Additional Coverage – Ordinance or Law, coverage is extended to include tenant's improvements and betterments as described in Paragraph A.1.b.(3) of the Businessowners Special Property Coverage Form, if:
  - a. You are a tenant; and
  - b. A limit of Insurance is shown in the Declarations for Business Personal Property at the described premises.
6. The following Additional Coverages are added:
  - a. Brands or Labels

If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may:

- (1) Stamp the word Salvage on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands and labels, if doing so will not physically damage the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in Paragraphs (1) and (2) above. The most we will pay for these costs and the value of the damaged property under this Additional Coverage is \$25,000.

Payments under this Additional Coverage are subject to and not in addition to the Limits of Insurance.

**b. Lost Key Consequential Loss**

- (1) We will pay for consequential loss to keys and locks if a master or grand master key is lost or damaged from a Covered Cause of Loss. We will pay for:
  - (a) The actual cost of keys, and
  - (b) Adjustment of locks to accept new keys, or
  - (c) If required, new locks including cost of their installation.
- (2) Loss or damage must be caused by or result from a Covered Cause of Loss including mysterious disappearance.
- (3) The most we will pay for loss or damage under this Additional Coverage is \$500 at each described premises.

- c. Unauthorized Business Card Use**
- We will pay for your loss of money or charges and costs you incur that result directly from the unauthorized use of credit, debit or charge cards issued in your business name, including:
- (1) Fund transfer cards;
  - (2) Charge plates; or
  - (3) Telephone cards.
- The most we will pay under this Additional Coverage in any one occurrence is \$5,000.
- d. Utility Services – Direct Damage**
- (1) We will pay for loss of or damage to Covered Property caused by the interruption of services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following Property not on the described premises:
    - (a) "Water Supply Services";
    - (b) "Communication Supply Services"; or
    - (c) "Power Supply Services".
  - (2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000 at each described premises.
  - (3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.
- 7. The following Coverage Extensions are changed as follows:**
- a. The limits applicable to the Coverage Extension – Accounts Receivable, as referenced in Paragraphs 4. and 5. of the Accounts Receivable Coverage Form, are changed as follows:**
    - (1) The limit applicable to records of accounts receivable while in transit or at a premises other than the described premises is increased from \$25,000 to \$100,000.
    - (2) The limit applicable to records of accounts receivable at each described premises is increased from \$25,000 to \$100,000.
  - b. The limit applicable to the Coverage Extension – Business Income and Extra Expense From Dependent Property as referenced in Paragraph 6. of the Business Income and Extra Expense From Dependent Property Coverage Form, is increased from \$10,000 to \$100,000.**
  - c. The limit applicable to the Coverage Extension – Business Income and Extra Expense – Newly Acquired Premises, as referenced in Paragraph 2. of the Business Income and Extra Expense – Newly Acquired Premises Coverage Form, is increased from \$250,000 to \$500,000.**
  - d. The limit of insurance set forth in Paragraph 6. of the Electronic Data Processing Equipment and Electronic Media and Data Coverage Extension is deleted and replaced with the following:**

The most we will pay under this Coverage Extension for all direct physical loss of or damage to "electronic data processing equipment" and "electronic media and data" (combined), in any one occurrence while in transit or at a premises other than the described premises is \$50,000.
  - e. The limit applicable to the Coverage Extension – Ordinance or Law – Increased Period of Restoration as referenced in Paragraph 5. of the Ordinance or Law – Increased Period of Restoration Coverage Form, is increased from \$25,000 to \$50,000.**
  - f. The limit applicable to the Coverage Extension – Valuable Papers and Records referenced in Paragraph 4. and 5. of the Valuable Papers and Records Coverage Form, are changed as follows:**
    - (1) The limit applicable to valuable papers and records while in transit or at a premises other than the described premises is increased from \$25,000 to \$100,000.
    - (2) The limit applicable to valuable papers and records at each described location is increased from \$25,000 to \$100,000.
- 8. The following Coverage Extensions are added:**
- a. Computer Fraud**
    - (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, that insurance shall apply to loss of or damage to Business Personal Property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the building at the described premises or banking premises:

- (a) To a person outside those premises;  
or  
(b) To a place outside those premises.
- c. Utility Services – Time Element

- (2) Paragraph **B.2.o.** of the Businessowners Special Property Coverage Form does not apply to this Coverage Extension.
- (3) The most we will pay under this Coverage Extension in any one occurrence is \$5,000, regardless of the number of premises involved.
- (4) The "System Penetration" exclusion described in Paragraph **1.k.** of Section B., of the Businessowners Special Property Coverage Form does not apply to this Coverage Extension.
- (5) With respect to Computer Fraud, we will not pay for loss or damage caused directly or indirectly by any "mass system penetration". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**b. Limited Building Coverage – Tenant Obligation**

- (1) If, at the described premises:

- (a) You are a Tenant; and  
(b) You are contractually obligated to repair or replace that part of a building you occupy as a tenant; and  
(c) A Limit of Insurance is shown in the Declarations for Business Personal Property:

This insurance applies to direct physical loss of or damage to that part of a building you occupy as a tenant caused by or resulting from a Covered Cause of Loss other than theft or attempted theft.

- (2) This Coverage Extension does not apply to any otherwise covered:
- (a) Building glass; or  
(b) Tenants improvements and betterments as described in Paragraph **A.1.b.(3)** of the Businessowners Special Property Coverage Form.
- (3) The most we will pay under this Coverage Extension in any one occurrence is \$5,000 at each described premises.

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, that insurance shall apply to the loss of Business Income or Extra Expense caused by an interruption of utility services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

- (a) "Water Supply Services";  
(b) "Communication Supply Services";  
or  
(c) "Power Supply Services".

- (2) We will pay the actual loss sustained from the initial time of service(s) failure at the described premises but only when the service interruption at the described premises exceeds 24 hours immediately following the direct physical loss or damage. Coverage does not apply to any reduction of income after service has been restored to your premises.
- (3) The most we will pay for loss under this Coverage Extension in any one occurrence is \$25,000 at each described premises.

**d. Business Income – Billable Hours Option**

When the Declarations show that you have coverage for Business Income and Extra Expense, you may choose to have a covered business income loss paid on a Billable Hours basis. If you do so, the following applies under this Coverage Extension with respect to such loss:

- (1) Paragraph **1.a.** of the Business Income and Extra Expense coverage form is replaced by the following:

**1. Business Income means:**

- a. The income that would have been generated from Billable Hours normally charged by you to your clients for services performed by you or on your behalf if no physical loss or damage occurred.

- (2) With respect to this coverage, the term Billable Hours replaces the term Net Income as referenced within such provision;
- (3) Billable Hours means the dollar value assigned to one hour of service you normally charge to a client for work performed by you or on your behalf including time charged for support functions such as copying or typing;
- (4) The most we will pay for loss of business income under this Coverage Extension in any one occurrence is \$100,000;
- (5) This option is not available for any other coverage provided by the Coverage Extension – Civil Authority.

**e. Business Personal Property at Unnamed Locations**

1. When the Declarations show that you have coverage for Business Personal Property at the described premises, you may extend that insurance to apply to loss or damage to Business Personal Property at Unnamed Locations, after 60 consecutive days.
  - a. We will pay for direct physical loss of, or damage to, Covered Property, other than “money”, “securities”, “Valuable Papers and Records” or accounts receivable, that is located at locations not identified in the Declarations including residences of employees.
  - b. The most we will pay under this coverage extension for loss or damage to property is \$25,000 at any location not described in the Declarations including residences of employees.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ARKANSAS CHANGES**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM****A. Property** is amended by the following:

1. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

**2. Appraisal**

- a. If we and you disagree on the value of the property or the amount of loss, either party may make a written request for an appraisal of the loss. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire.
- b. An appraisal decision will not be binding on either party.
- c. If there is an appraisal, we will still retain our right to deny the claim.
- d. Each party will:
  - (1) Pay its chosen appraiser; and
  - (2) Bear the other expenses of the appraisal and umpire equally.

2. Paragraph **F.4.b. Legal Action Against Us** is replaced by the following:

**4. Legal Action Against Us**

- b. The action is brought within 5 years after the date on which the direct physical loss or damage occurred.

**B. Common Policy Conditions** is amended as follows:

1. Paragraph **A.5. Cancellation** is replaced by the following:

**5. Premium Refund**

- a. If this policy is cancelled, we will send the first Named Insured any premium refund due.

b. We will refund the pro rata unearned premium if the policy is:

- (1) Cancelled by us or at our request;
- (2) Cancelled but rewritten with us or in our company group;
- (3) Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
- (4) Cancelled after the first year of a prepaid policy that was written for a term of more than one year.

c. If the policy is cancelled at the request of the first Named Insured, other than a cancellation described in **b.(2), (3)** or **(4)** above, we will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by us to an amount less than the minimum premium for this policy.

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

e. If the first Named Insured cancels the policy, we will retain no less than \$100 of the premium.

2. The following is added to Paragraph **A. Cancellation**:

**7. Cancellation Of Policies In Effect More Than 60 Days**

a. If this policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
- (3) The occurrence of a material change in the risk which substantially increases any hazard

insured against after policy issuance;

- (4) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the policy;
  - (5) Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy; or
  - (6) A material violation of a material provision of the policy.
3. The following is added to Paragraph **K. Transfer Of Rights Of Recovery Against Others To Us:**

We will be entitled to recovery only after the insured has been fully compensated for the loss or damage sustained.

4. The following paragraph is added and supersedes any other provision to the contrary:

**M. Nonrenewal**

1. If we decide not to renew this policy, we will mail to the first Named Insured shown in the Declarations written notice of nonrenewal at least 60 days before:
  - a. Its expiration date; or
  - b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, we are not required to send this notice if nonrenewal is due to your failure to pay any premium required for renewal.

2. We will mail our notice to the first Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

SERFF Tracking Number: CNAB-125264766 State: Arkansas  
First Filing Company: American Casualty Company of Reading PA, ... State Tracking Number: AR-PC-07-026036  
Company Tracking Number: 07-F3113  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners  
Liability  
Product Name: Connect  
Project Name/Number: Connect /0000

## Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: CNAB-125264766 State: Arkansas  
First Filing Company: American Casualty Company of Reading PA, ... State Tracking Number: AR-PC-07-026036  
Company Tracking Number: 07-F3113  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners  
Liability  
Product Name: Connect  
Project Name/Number: Connect /0000

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Approved 10/02/2007

**Comments:**

**Attachments:**

2007 NAIC Forms Sch (ARK) for f3113- page 1 .pdf  
2007 NAIC Forms Sch(ARK) for f3113- page 2 .pdf  
2007 NAIC Forms Sch(ARK) for f3113- page 3 .pdf  
AR 07-F3113 Transmittal (NAIC).pdf

**Satisfied -Name:** Forms Memos **Review Status:** Approved 10/02/2007

**Comments:**

**Attachments:**

07-F3113 New Forms Connect List -9-8-07.pdf  
07-F3113 Revised Forms List for Connect 9-8-07.pdf

**Satisfied -Name:** Response Letter **Review Status:** Approved 10/02/2007

**Comments:**

**Attachment:**

07-F3113arkansas response 9-28-07.pdf

**FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms)  
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>		<b>07-F3113</b>		
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)		<b>07-R3113</b>		
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement or Withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Passport Access Endorsement	Sb-300149-A (01/2007)	<input checked="" type="checkbox"/> <b>New</b> <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Hired Auto Physical Damage Coverage	SB-300148-A (01/2007)	<input checked="" type="checkbox"/> <b>New</b> <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Carpet, Rug, Furniture and Upholstery Cleaning Customers Property Endorsement	SB-300160-A (01/2007)	<input checked="" type="checkbox"/> <b>New</b> <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Exclusion –Subsidence (AZ, CA, CO, NV) Exclusion – Subsidence- Residential (All other States)	SB-300166-A (01/2007)	<input checked="" type="checkbox"/> <b>New</b> <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Exclusion –Construction Wrap –UP Program	SB-300451-A (01/2007)	<input checked="" type="checkbox"/> <b>New</b> <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Exclusion-Designated Operations Covered by a Consolidated (Wrap-UP) Insurance Program	SB-300168-A (01/2007)	<input checked="" type="checkbox"/> <b>New</b> <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Condominium Association Coverage	SB-300172-A (01/2007)	<input checked="" type="checkbox"/> <b>New</b> <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Fiduciary Liability Coverage Form	SB-300441-A (01/2007)	<input checked="" type="checkbox"/> <b>New</b> <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Employment Related Practices Liability Coverage Form	SB-300450-A (01/2007)	<input checked="" type="checkbox"/> <b>New</b> <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Single Limit of Insurance Endt for Employment Practices/Fiduciary Lia. Cov.	SB-300449-A (01/2007)	<input checked="" type="checkbox"/> <b>New</b> <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

**FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms)  
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>07-F3113</b>			
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)	<b>07-R3113</b>			
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement or Withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Exclusion –Testing or Consulting Errors and Omissions	SB-300156-A (01/2007)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Terrorism Endorsement	SB-300146-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-300146-A	05-F3233 Approved 3-28-06
03	Hired and Non-Owned Auto Liability	SB-146902-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	Sb-146902-A	05-F3233 Approved 3-28-06
04	Causes of Loss – Broad Form- Flood	SB-146853-C (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-146853-A	05-F3233 Approved 3-28-06
05	Causes of Loss-Earthquake	SB-146849-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-146849-A	05-F3233 Approved 3-28-06
06	Architects, Engineers and Surveyors Property Extension	SB-300177-C (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-300177-B	06-F3141 Approved 8/16/07
07	Windstorm or Hail Business Income Special Deductible	SB-146870-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB -146870-A	05-F3233 Approved 3-28-06
08	Exclusion of Coverage for Special Events	SB-300081-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-300081-A	05-F3233 Approved 3-28-06
09	Scheduled Property Coverage	SB-146986-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-146986-A	05-F3233 Approved 3-28-06
10	Contractor's Equipment Coverage	SB-300038-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-300038-A	05-F3233 Approved 3-28-06

**FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms)  
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>		<b>07-F3113</b>		
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)		<b>07-R3113</b>		
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement or Withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Limited Pollution Liability Extension	SB-300014-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-300014-A	05-F3233 Approved 3-28-06
02	Businessowners Special Property Coverage Form	SB-146801-C (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-146801-B	06-F3141 Approved 8/16/07
03	Additional Insured – Designated Person or Organization	SB-300113-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-300113-A	05-F3233 Approved 3-28-06
04	Personal Property of Others-Special Form	SB-300041-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-300041-A	05-F3233 Approved 3-28-06
05	Back-Up of Sewers and Drains	SB-146839-C (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-146839-A	05-F3233 Approved 3-28-06
06	Transportation Coverage – Special Form	SB-146893-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-146893-A	05-F3233 Approved 3-28-06
07	Transportation –Deluxe Form	SB-146892-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-146892-A	05-F3233 Approved 3-28-06
08	Businessowners Liability Coverage Form	SB-300000-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-300000-A	05-F3233 Approved 3-28-06
09	Technology Choice Endorsement	SB-147036-B (01/2007)	<input type="checkbox"/> New <input checked="" type="checkbox"/> <b>Replacement</b> <input type="checkbox"/> Withdrawn	SB-147036-A	05-F3233 Approved 3-28-06
10	Employment Practices Liability Coverage Form	SB-300008-A (01/2007)	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> <b>Withdrawn</b>		05-F3233 Approved 3-28-06



## Property & Casualty Transmittal Document—

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>07-F3113</b>
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<b>21.</b>	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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**We are filing 12 new forms and 18 revised forms for use with our CNA Connect Program**

**A detailed description along with side by side comparison is included in the filing memo.**

**We are requesting a 12/21/07 effective date for this filing.**

<b>22.</b>	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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**Check #:**  
**Amount: \$250.00**

**Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.**

**\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

**FORMS EXPLANATORY – CNA CONNECT NEW FORMS  
Filing 07-F/R 3113**

The purpose of this filing is to introduce new and revised forms to the CNA Connect Product. The changes being introduced are primarily new forms, and updates to existing forms. The following list represents the new forms included with this filing.

**NEW FORMS:**

Form Title	Form Number
Passport Access <sup>SM</sup> Endorsement	SB-300149-A (01/07)
Hired Auto Physical Damage Coverage	SB-300148-A (01/07)
Carpet, Rug, Furniture and Upholstery Cleaning Customers Property Endorsement	SB-300160-A (01/07)
Exclusion – Testing or Consulting Errors and Omissions	SB-300156-A (01/07)
Exclusion – Subsidence (AZ, CA, CO, NV) Exclusion – Subsidence – Residential (All Other States)	SB-300166-A (01/07)
Exclusion – Construction Wrap Up Program	SB-300451-A(01/07)
Exclusion – Designated Operations Covered by a Consolidated (Wrap Up) Insurance Program	SB-300168-A (01/07)
Condominium Association Coverage	SB-300172-A (01/07)
Fiduciary Liability Coverage Form	SB-300441-A (01/07)
Employment Related Practices Liability Coverage Form	SB-300450-A (01/07)
Single Limit of Insurance Endorsement for Employment Practices/Fiduciary Liability Coverage Forms	SB-300449-A (01/07)
Concurrent Causation, Earth Movement & Water Exclusion Changes	SB-300456-A (07/07)

## **FORMS EXPLANATORY – CNA CONNECT NEW FORMS Filing 07-F/R 3113**

### **NEW FORMS:**

#### **SB-300149-A (01/07) – Passport Access<sup>SM</sup> Endorsement**

This new form, SB-300149-A, Passport Access<sup>SM</sup> Endorsement, adds coverage for International Personal Property, International Confiscation, Expropriation, or Nationalization Coverage, Automobile Difference in Conditions Excess Liability, Foreign Voluntary Workers Compensation and Employers Liability Protection and International Kidnap and Ransom/Wrongful Detention Coverage.

#### **SB-300148-A (01/07) - Hired Auto Physical Damage Coverage**

This new form, SB-300148-A, Hired Auto Physical Damage Coverage, adds coverage for "loss" to a covered "hired auto" or its equipment from any cause. We will also cover loss of use of a covered "hired auto" if it results from an accident, you are legally liable, and the lessor incurs an actual financial loss, subject to a maximum of \$1,000 per accident.

#### **SB-300160-A (01/07) - Carpet, Rug, Furniture and Upholstery Cleaning Customers Property Endorsement**

This new form, SB-300160-A, Carpet, Rug, Furniture and Upholstery Cleaning Customers Property Endorsement adds coverage for direct physical loss of or damage to real and personal property of your customers at their premises while in the care, custody or control of the insured.

#### **SB-300156-A (01/07) - Exclusion – Testing or Consulting Errors and Omissions**

This new form, SB-300156-A, Exclusion – Testing or Consulting Errors and Omissions, excludes coverage for any error, omission, defect or deficiency in testing performed by the insured.

#### **SB-300166-A (01/07) – Exclusion – Subsidence (AZ, CA, CO, NV) Exclusion – Subsidence – Residential (All Other States)**

This new form, SB-300166-A, Exclusion – Subsidence (AZ, CA, CO, NV) Exclusion – Subsidence – Residential (All Other States), excludes coverage for "bodily injury" or "property damage" arising out of the "subsidence" of land and arising out of or attributable to any ongoing operation of the insured or performed on the insured's behalf or the "products/completed operations hazard".

## **FORMS EXPLANATORY – CNA CONNECT NEW FORMS Filing 07-F/R 3113**

### **SB-300451-A (01/07) – Exclusion – Construction Wrap Up Program**

This new form, SB-300451-A, Exclusion – Construction Wrap Up, excludes coverage for “bodily injury”, “property damage” or “personal and advertising injury” arising out of any current or completed operation performed by you or on your behalf which is or was insured under an Owner Controlled Insurance Program (O.C.I.P.) or Contractor Controlled Insurance Program (C.C.I.P.), otherwise referred to as a “consolidated (wrap-up) insurance program”.

### **SB-300168-A (01/07) – Exclusion – Designated Operations Covered by a Consolidated (Wrap Up) Insurance Program**

This new form, SB-300168-A, Exclusion – Designated Operations Covered by a Consolidated (Wrap Up) Insurance Program, excludes coverage for “bodily injury” or “property damage” arising out of either your ongoing operations or operations included within the “products-completed operations hazard” at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

### **SB-300172-A (01/07) – Condominium Association Coverage**

This new form, SB-300172-A, Condominium Association Coverage, provides coverage for Property for a Condominium Association.

### **SB-300441-A – Fiduciary Liability Coverage Form**

This new form, SB-300441-A, Fiduciary Liability Coverage, protects fiduciaries (as defined by ERISA) against loss (damages and defense costs) that arise from the administration and management of employee benefit and pension plans. Common claims allege ERISA violations, negligent advise, careless plan management, and errors and omissions.

### **SB-300450-A – Employment Practices Liability Coverage Form**

This new form, SB-300450-A, Employment Practices Liability Coverage, provides coverage for employment related sexual harassment, wrongful termination and discrimination.

### **SB-300449-A – Single Limit of Insurance Endorsement for Employment Practices/Fiduciary Liability Coverage Forms**

This new form, SB-300449-A, Single Limit of Insurance Endorsement for Employment Practices/Fiduciary Liability Coverage Forms, lets the insured know that the Employment Practices/Fiduciary Liability single limit of insurance shown in the Declarations shall be our maximum aggregate limit of insurance for all “damages” and “defense expenses” under the Employment Practices Liability and Fiduciary Liability Coverage Forms combined.

**FORMS EXPLANATORY – CNA CONNECT NEW FORMS**  
**Filing 07-F/R 3113**

**SB-300456-A – Concurrent Causation, Earth Movement & Water Exclusion Changes**

This new form, SB-300456-A, Concurrent Causation, Earth Movement & Water Exclusion Change clarifies our original intent with respect to the application of the concurrent causation provision, the earth movement exclusion and the water exclusion. This endorsement clarifies that the earth movement exclusion applies to occurrences of man-made earth movement. In addition, the water exclusion is being clarified to define the term flood. "Flood" is also added as a defined term within this form.

## FORMS EXPLANATORY – CNA CONNECT REVISED AND WITHDRAWN FORMS Filing 07-F/R 3113

The purpose of this filing is to introduce new, revised, and withdrawn forms to the CNA Connect Product. The changes being introduced are primarily new forms, and updates to existing forms. The following list represents the revised and withdrawn forms included with this filing.

### REVISED FORMS:

Form Title	Form Number
Terrorism Endorsement	SB-300146-B (10/06)
Hired and Non-Owned Auto Liability	SB-146902-B (01/07)
Flood	SB-146853-C (01/07)
Earthquake	SB-146849-B (01/07)
Architects, Engineers and Surveyors Property Extension	SB-300177-C (01/07)
Windstorm or Hail Business Income Special Deductible	SB-146870-B (01/07)
Exclusion of Coverage for Special Events	SB-300081-B (01/07)
Scheduled Property Coverage	SB-146986-B (01/07)
Contractor's Equipment Coverage	SB-300038-B (01/07)
Limited Pollution Liability Extension	SB-300014-B (01/07)
Businessowners Special Property Coverage Form	SB-146801-C (01/07)
Additional Insured – Designated Person or Organization	SB-300113-B (01/07)
Personal Property of Others – Special Form	SB-300041-B (01/07)
Back-up of Sewers and Drains	SB-146839-C (01/07)
Transportation Coverage – Special Form	SB-146893-B (01/07)
Transportation Coverage – Deluxe Form	SB-146892-B (01/07)
Businessowners Liability Coverage Form	SB-300000-B (01/07)
Technology Choice Endorsement	SB-147036-B (01/07)

## FORMS EXPLANATORY – CNA CONNECT REVISED AND WITHDRAWN FORMS Filing 07-F/R 3113

### REVISED FORMS:

#### **SB-300146-B (10/06)** – Cap on losses from certified acts of terrorism

The following is a summary of the changes made to **SB-300146-B (10/06)**:

1. Paragraph A. has been revised to remove reference to Terrorism Risk Insurance Act of 2002 and replace with Terrorism Risk Insurance Act.
2. Paragraph A.2. has been revised to remove reference to Terrorism Risk Insurance Act of 2002 and replace with Terrorism Risk Insurance Act.

Sub-Paragraph:	Revision:	Coverage Change Explanation:
A.	<p>Updated paragraph A. to remove reference to the year 2002 for the Terrorism Risk Insurance Act, so that the paragraph now reads:</p> <p>“Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the Terrorism Risk Insurance Act.</p>	<p><b>This results in no change to coverage.</b></p>
A.2.	<p>Updated paragraph A.2. to remove reference to the year 2002 for the Terrorism Risk Insurance Act, so that the paragraph now reads:</p> <p>With respect to any one or more “certified acts of terrorism” under the Terrorism Risk Insurance Act.</p>	<p><b>This results in no change to coverage.</b></p>

**FORMS EXPLANATORY – CNA CONNECT REVISED AND WITHDRAWN FORMS  
Filing 07-F/R 3113**

**SB-146902-B (01/07) – Hired and Non-Owned Auto Liability**

The following is a summary of the changes made to **SB-146902-B (01/07)**:

1. Added Paragraph B. Liability and Medical Expenses Limits of Insurance.

<b>Sub-Paragraph:</b>	<b>Revision:</b>	<b>Coverage Change Explanation:</b>
<p><b>Paragraph B.</b></p>	<p>Added <b>Paragraph B:</b></p> <p><b>Section D. Liability And Medical Expenses Limits of Insurance</b> is deleted in its entirety and replaced with the following:</p> <p><b>D. Limits Of Insurance</b></p> <ol style="list-style-type: none"> <li>1. Regardless of the number of:               <ol style="list-style-type: none"> <li>a. Insureds;</li> <li>b. Claims made or "suits" brought;</li> <li>c. Persons or organizations making claims or bringing "suits"; or</li> <li>d. "Autos",</li> </ol>               the Hired Auto and Non-Owned Auto Liability Each Occurrence Limit shown in the Declarations is the most we will pay for damages under SECTION A. Coverages because of all "bodily injury" or "property damage" arising out of the maintenance or use of a:             </li> <li>1. "Hired auto" by you or your "employees" in the course of your business; or</li> <li>2. "Non-owned auto" by any person other than you in the course of your business, and arising out of any one "occurrence".</li> </ol> <p>The limit of this endorsement applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.</p>	<p><b>This results in no change to coverage.</b></p>

## FORMS EXPLANATORY – CNA CONNECT REVISED AND WITHDRAWN FORMS Filing 07-F/R 3113

### SB-146853-C (01/07) – Flood

The following is a summary of the changes made to **SB-146853-C (01/07)**:

1. Added item C.4. which removes the exclusion, from the Businessowners Special Property Coverage Form, for “Electronic data processing equipment” and Electronic media and data” (not including “stock”), except as provided in the Electronic Data Processing Equipment, Electronic Media and Data and Electronic Data (EDP Coverage Form) Coverage Extension, the Business Income and Extra Expense Coverage Extension, the Accounts Receivable Coverage Extension or the Targeted Hacker Attack Coverage Extension, when the Flood Coverage form is attached to the policy.
2. Updated Paragraph’s B.1., B.2., B.3., and B.4., to clarify coverage.

Sub-Paragraph:	Revision:	Coverage Change Explanation:
<b>C.4.</b>	Added item <b>4.</b> to Paragraph <b>C</b> :  4. Paragraph <b>A.2.</b> Property Not Covered, <b>Item P.</b> , of the Businessowners Special Property Coverage Form does not apply to this endorsement.	<b>This results in an expansion of coverage.</b>
<b>B.1.</b>	1. Flood, meaning a general and temporary condition of partial or complete inundation of normally dry land areas, whether caused by natural occurrences, acts or omissions of man or any other cause or combination of causes;	<b>This is a clarification of coverage</b>
<b>B.2.</b>	2. Mudslides or mudflows which are caused by flooding as defined in B.1. above. For the purpose of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.	<b>This is a clarification of coverage</b>
<b>B.3.</b>	3. Water or sewage that backs up or overflows from a sewer, drain or sump resulting from Flood, and occurring within 72 hours after the Flood recedes.	<b>This is a clarification of coverage</b>
<b>B.4.</b>	4. Water under the ground surface pressing on, or flowing or seeping through;  <ol style="list-style-type: none"> <li>a. Foundations, walls, floors or paved surfaces;</li> <li>b. Basements, whether paved or not; or</li> <li>c. Doors, windows or their openings.</li> </ol> All flooding in a continuous or protracted event will constitute a single flood.	<b>This is a clarification of coverage</b>

**FORMS EXPLANATORY – CNA CONNECT REVISED AND WITHDRAWN FORMS  
Filing 07-F/R 3113**

**SB-146849-B (01/07) – Earthquake**

The following is a summary of the changes made to **SB-146849-B (01/07)**:

1. Added item D.3. which removes the exclusion, from the Businessowners Special Property Coverage Form, for “Electronic data processing equipment” and Electronic media and data” (not including “stock”), except as provided in the Electronic Data Processing Equipment, Electronic Media and Data and Electronic Data (EDP Coverage Form) Coverage Extension, the Business Income and Extra Expense Coverage Extension, the Accounts Receivable Coverage Extension or the Targeted Hacker Attack Coverage Extension, when the Earthquake Coverage form is attached to the policy.

<b>Sub-Paragraph:</b>	<b>Revision:</b>	<b>Coverage Change Explanation:</b>
D.3.	Added item <b>3.</b> to Paragraph <b>D:</b>  3. Paragraph A.2. Property Not Covered, Item P., of the Businessowners Special Property Coverage Form does not apply to this endorsement.	<b>This results in an expansion of coverage.</b>

## FORMS EXPLANATORY – CNA CONNECT REVISED AND WITHDRAWN FORMS Filing 07-F/R 3113

### SB-300177-C (01/07) – Architects, Engineers and Surveyors Property Extension

The following is a summary of the changes made to **SB-300177-C (01/07)**:

1. Updated to remove Paragraph 3. Coverage Extension Personal Property Off Premises.
2. Updated to remove Paragraph 4. Coverage Extension Personal Effects
3. Updated Paragraph 3. to correct item (3) so that the limit for Valuable Papers and Records shows ‘increased by’ 100,000.
4. Updated Paragraph 4. to correct item (4) so that the limit for Accounts Receivable shows ‘increased by’ 100,000.
5. Added Paragraph 5. Business Personal Property at Unnamed Locations
6. Corrected Paragraph 6. so that Coverage Extension Personal Property Off Premises now reads Coverage Extension Business Personal Property Off Premises and removed reference to laptop computers.

Sub-Paragraph:	Revision:	Coverage Change Explanation:
3.	Deleted <b>paragraph 3. Coverage Extension Personal Property Off Premises</b> in it's entirety. The CNA Connect policy already includes Business Personal Property Off Premises at the Business Personal Property limit.	<b>This results in an expansion of coverage.</b>
4.	Deleted <b>paragraph 4. Coverage Extension Personal Effects</b> in it's entirety. The CNA Connect policy already includes Personal Effects coverage at \$25,000 limits.	<b>This results in an expansion of coverage.</b>
3.(3).	Updated paragraph 3., item (3) so that it now reads:  (3) The most we will pay under this Coverage Extension for loss or damage to “Valuable Papers and Records” in any one occurrence at the described premises is \$100,000, unless a higher limit of insurance for “Valuable Papers and Records” is shown in the Declarations.  For “Valuable Papers and Records” not at the described premises, the most we will pay is increased by \$100,000.	<b>This results in no change to coverage.</b>
4.(4)	The most we will pay for loss or damage under this Coverage Extension is increased by \$100,000 at each described premises, unless otherwise indicated in the Declarations. For accounts receivable not at the described premises, the most we will pay is \$25,000.	<b>This results in no change to coverage.</b>

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<p>5.</p>	<p><b>5. Business Personal Property at Unnamed Locations</b></p> <p>1. When the Declarations show that you have coverage for Business Personal Property at the described premises, you may extend that insurance to apply to loss or damage to Business Personal Property at Unnamed Locations, after 60 consecutive days.</p> <p>a. We will pay for direct physical loss of, or damage to, Covered Property, other than "money", "securities", "Valuable Papers and Records" or accounts receivable, that is located at locations not identified in the Declarations including residences of employees.</p> <p>b. The most we will pay under this coverage extension for loss or damage to property is \$25,000 at any location not described in the Declarations including residences of employees.</p>	<p><b>This results in an expansion of coverage.</b></p>
<p>6.</p>	<p>Updated paragraph 6. so that it now reads:</p> <p>The coverage territory is expanded to Worldwide but only for cellular telephone coverage provided under Coverage Extension Business Personal Property Off Premises, if such coverage is applicable to this policy.</p>	<p><b>This results in no change to coverage.</b></p>

## FORMS EXPLANATORY – CNA CONNECT REVISED AND WITHDRAWN FORMS Filing 07-F/R 3113

**SB-146870-B (01/07)** – Windstorm or Hail Business Income Special Deductible

The following is a summary of the changes made to **SB-146870-B (01/07)**:

1. Corrected the endorsement that is modified as a part of this coverage form to show the 'Business Income and Extra Expense' Coverage Form and removed reference to the Businessowners Special Property Coverage Form.
2. Updated paragraph 1 to remove reference to paragraph 3 and to show the correct coverage form reference which is Business Income and Extra Expense.
3. Removed items 2 and 3.
4. Added item 2.

Sub-Paragraph:	Revision:	Coverage Change Explanation:
Heading	Corrected the endorsement that is modified as a part of this coverage form so that it now reads:  This endorsement modifies insurance provided under the following:  BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM	<b>This results in no change to coverage.</b>
<b>Paragraph 1</b>	Updated <b>Paragraph 1</b> so that it now reads:  <b>1.</b> For the purposes of this endorsement, 2. below applies to Business Income and Extra Expense when the loss or damage to Covered Property is caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. If loss or damage from a covered weather condition other than Windstorm or Hail occurs, and that loss or damage would not have occurred but for the Windstorm or Hail, such loss or damage shall be considered to be caused by Windstorm or Hail and therefore part of the Windstorm or Hail occurrence.	<b>This results in no change to coverage.</b>
<b>Paragraph 2</b>	<b>Removed Paragraph 2:</b>  <b>2.</b> Section D. Deductibles, items 3.b. and 3.c. do not apply.	<b>This results in no change to coverage.</b>
<b>Paragraph 3</b>	<b>Removed Paragraph 3:</b>  <b>3.</b> Section G. Property Definitions, Item 19., Period of Restoration paragraph a. is replaced with the following:  (8) Period of Restoration means the period of time that:  a. Begins 72 hours after the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and	<b>This results in no change to coverage.</b>
<b>Paragraph 2</b>	Added a new <b>Paragraph 2:</b>  <b>2.</b> We will pay the amount described in either paragraph 4.a. or 4.b. However, we shall not be liable for any payment for Extra Expense you incur and loss of Business Income you sustain, during the first 72 hours following the start of a necessary "suspension" of your "operations" during the "period of restoration".	<b>This results in no change to coverage.</b>

## FORMS EXPLANATORY – CNA CONNECT REVISED AND WITHDRAWN FORMS Filing 07-F/R 3113

### SB-300081-B (01/07) – Exclusion of Coverage for Special Events

The following is a summary of the changes made to **SB-300081-B (01/07)**:

1. Removed reference to Non-Scheduled “Special Events”
2. Removed reference to Scheduled “Special Events”
3. Removed Additional Definitions

Sub-Paragraph:	Revision:	Coverage Change Explanation:
<p><b>A.</b></p>	<p>Removed the following:</p> <p><b>A. Non-Scheduled “Special Events”</b></p> <ol style="list-style-type: none"> <li>1. This exclusion does not apply to the following “Special Events”:               <ol style="list-style-type: none"> <li>a. Breakfast meetings;</li> <li>b. Luncheons;</li> <li>c. Dinners or dinner dances;</li> <li>d. Bake, craft, book or clothing sales;</li> <li>e. Exhibition of members’ work or art;</li> <li>f. Demonstration of members’ work or art;</li> <li>g. Lectures and Speakers; and</li> <li>h. Bridge tournaments.</li> </ol> </li> <li>2. If you are a “Cultural Institution”, this exclusion also does not apply to:               <ol style="list-style-type: none"> <li>a. Your Exhibition or Show Openings;</li> <li>b. Sponsored trips to similar cultural institutions when transportation is not provided or is provided by contract carrier.</li> <li>c. Regular, ongoing, scheduled programming which is a part of a library curriculum such as children’s story-time or reading programs.</li> </ol> </li> </ol>	<p><b>The purpose is to further clarify the coverage intent. Depending on where the term is in the policy will determine whether or not this change is a broadening or a reduction in coverage. Refer to the individual coverage form for details.</b></p>
<p><b>B.</b></p>	<p>Removed the following:</p> <p><b>B. Scheduled “Special Events”</b></p> <p>This exclusion does not apply to “Special Events” specifically scheduled and described in the declarations and for which a separate premium charge is made.</p> <p>Scheduled “Special Events” are limited to the following:</p>	<p><b>The purpose is to further clarify the coverage intent. Depending on where the term is in the policy will determine whether or not this change is a broadening or a reduction in coverage. Refer to the individual coverage form for details.</b></p>

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	<ol style="list-style-type: none"> <li>1. Parades, with permits;</li> <li>2. Concerts, however, rock b and concerts are excluded;</li> <li>3. Amateur Plays;</li> <li>4. Puppet shows;</li> <li>5. Exhibition Openings;</li> <li>6. Musical Performances;</li> <li>7. Film Showings;</li> <li>8. Dances;</li> <li>9. Antique Shows;</li> <li>10. Casino nights;</li> <li>11. Fairs;</li> <li>12. Athletic Events;</li> <li>13. Art or Craft Exhibitions and Demonstrations;</li> <li>14. Collectible Car shows (Exhibit only)</li> </ol>	
<p><b>D.</b></p>	<p>Removed the following:</p> <p>D. Additional Definitions</p> <p>As respects this endorsement, the following additional definitions apply:</p> <ol style="list-style-type: none"> <li>1. "Cultural Institution" means a museum, art gallery or library.</li> <li>2. "Special Event" means an activity, event, or performance, entertainment, fundraiser or exhibition which is:             <ol style="list-style-type: none"> <li>a. Open to the public, the insured's membership or invitees, whether or not an admission is charged;</li> <li>b. Held for a specified or limited duration of time; and</li> <li>c. Separate or distinct from the insured's regular, ongoing operations and designed to promote or benefit the insured or some other cause.</li> </ol> </li> </ol>	<p><b>The purpose is to further clarify the coverage intent. Depending on where the term is in the policy will determine whether or not this change is a broadening or a reduction in coverage. Refer to the individual coverage form for details.</b></p>

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### SB-146986-B (01/07) – Scheduled Property Coverage

The following is a summary of the changes made to **SB-146986-B (01/07)**:

1. Corrected Paragraph B. to show as B and not as A.
2. Corrected the references in Paragraph B so that they read B.2.d.(7).c. and not B.2.c.(6).

Sub-Paragraph:	Revision:	Coverage Change Explanation:
Paragraph B.	<p>Corrected Paragraph B. so it is now correctly labeled as B., and corrected the policy coverage form references:</p> <p>B. Additional Exclusions</p> <p>Exclusion B.2.d.(7).c. of the Businessowners Special Property Coverage Form does not apply to photographic lenses.</p>	<b>This results in no change to coverage.</b>

### SB-300038-B (01/07) – Contractor's Equipment Coverage

The following is a summary of the changes made to **SB-300038-B (01/07)**:

1. Updated Paragraph E.2. Removed paragraph heading Valuation Depreciation Waiver on Partial Loss and replaced with Valuation. Added paragraphs a, b, c and d.

Sub-Paragraph:	Revision:	Coverage Change Explanation:
E.	<p><b>2. Valuation</b></p> <p>The value of property will be the least of the following amounts:</p> <p><b>a.</b> The Limit of Insurance applying to the damaged property;</p> <p><b>b.</b> The actual cash value (replacement cost less depreciation) of the property;</p> <p><b>c.</b> The cost of reasonably restoring that property to its condition immediately before "loss"; or</p> <p><b>d.</b> The cost of replacing that property with used, but substantially identical property.</p>	<b>This results in no change to coverage.</b>

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### SB-300014-B (01/07) – Limited Pollution Liability Extension

The following is a summary of the changes made to **SB-300014-B (01/07)**:

1. Corrected Paragraph **5** to remove reference to the limit being shown in the Schedule
2. Corrected Paragraph **5** to add reference to the limit being shown in the Declarations.

Sub-Paragraph:	Revision:	Coverage Change Explanation:
<b>5.</b>	The Limited Pollution Liability Extension Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages because of "bodily injury", "property damage" or medical expenses arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".	<b>This results in no change to coverage.</b>

### SB-146801-C (01/07) – Businessowners Special Property Coverage Form

The following is a summary of the changes made to **SB-146801-C (01/07)**:

1. Updated A.4.c.(3) to correct the limit for patterns, dies, molds and forms. It was \$2,500 but it should be \$25,000.
2. Updated D.3. to add item e. Any other property coverage with a specific deductible amount shown in the coverage form or declaration.
3. Updated Paragraph A.2.p. to add a new paragraph which explains the EDP excess coverage.

Sub-Paragraph:	Revision:	Coverage Change Explanation:
<b>A.4.c.</b>	<b>(3)</b> \$25,000 for patterns, dies, molds and forms.	<b>This results in an expansion of coverage.</b>
<b>D.3.</b>	<b>e.</b> Any other property coverage with a specific deductible amount shown in the coverage form or declaration.	<b>This results in no change to coverage.</b>
<b>A.2.p.</b>	Your Business Personal Property coverage is extended to provide excess coverage for loss to the Electronic Data Processing Equipment and Electronic Media and Data (EDP Coverage Form) located only at the described premises and resulting from a covered cause of loss. All exclusions applicable to Business Personal Property apply to this excess coverage. This excess coverage is included in and is not in addition to the limits applicable to your Business Personal Property.	<b>This results in an expansion of coverage.</b>

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### SB-300113-B (01/07) – Additional Insured – Designated Person or Organization

The following is a summary of the changes made to **SB-300113-B (01/07)**:

1. Updated Paragraph 4 so that it reads correctly as Paragraph 5.
2. Added “bodily injury”, “property damage” or “personal and advertising injury” to paragraph 5.

Sub-Paragraph:	Revision:	Coverage Change Explanation:
5.	Any person or organization shown in the Schedule is also an insured, but only with respect to Liability for “bodily injury”, or “property damage” or “personal and advertising injury” arising out of your ongoing operations or premises owned by or rented to you.	<b>The purpose is to further clarify the coverage intent. Depending on where the term is in the policy will determine whether or not this change is a broadening or a reduction in coverage. Refer to the individual coverage form for details.</b>

### SB-300041-B (01/07) – Personal Property of Others – Special Form

The following is a summary of the changes made to **SB-300041-B (01/07)**:

1. Updated paragraph B.3.c.(4) to add the following: Exclusions (2) and (4) above do not include breakage or damage as a result of workmanship, repair or maintenance. Intentional breakage or damage is not covered.

Sub-Paragraph:	Revision:	Coverage Change Explanation:
B.3.c.(4)	Exclusions (2) and (4) above do not include breakage or damage as a result of workmanship, repair or maintenance. Intentional breakage or damage is not covered.	<b>This results in no change to coverage.</b>

### SB-146839-C (01/07) – Back-Up of Sewers and Drains Coverage

The following is a summary of the changes made to **SB-146839-C (01/07)**:

1. Updated paragraph 3. to further clarify coverage. Added quotation marks to Flood since this is now a defined term in the Concurrent Causation, Earth Movement & Water Exclusion Changes endorsement, which is now a form reference at the top of the Back-Up of Sewers and Drains Coverage Form.

Sub-Paragraph:	Revision:	Coverage Change Explanation:
3.	We will not pay loss or damage under this Additional Coverage caused by the emanation of water from a sewer or drain that itself caused by, or the result of: (1) “Flood”, surface water, waves, tides, tidal waves, overflow of any body of water; or their spray, all whether driven by wind or not; (2) Mudslide or mudflow.	<b>This results in an expansion of coverage.</b>

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**SB-146893-B (01/07)** – Transportation Coverage – Special Form

The following is a summary of the changes made to **SB-146893-B (01/07)**:

1. Changed the opening paragraph to refer to this 'endorsement' instead of this 'policy'.

<b>Sub-Paragraph:</b>	<b>Revision:</b>	<b>Coverage Change Explanation:</b>
Opening Paragraph	<p>Various provisions in this endorsement restrict coverage. Read the entire endorsement carefully to determine rights, duties and what is and is not covered.</p> <p>Throughout this endorsement 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.</p>	<b>This results in no change to coverage.</b>

**SB-146892-B (01/07)** – Transportation Coverage – Deluxe Form

The following is a summary of the changes made to **SB-146892-B (01/07)**:

1. Changed the opening paragraph to refer to this 'endorsement' instead of this 'policy'.

<b>Sub-Paragraph:</b>	<b>Revision:</b>	<b>Coverage Change Explanation:</b>
Opening Paragraph	<p>Various provisions in this endorsement restrict coverage. Read the entire endorsement carefully to determine rights, duties and what is and is not covered.</p> <p>Throughout this endorsement 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.</p>	<b>This results in no change to coverage.</b>

## FORMS EXPLANATORY – CNA CONNECT REVISED AND WITHDRAWN FORMS Filing 07-F/R 3113

### SB-300000-B (01/07) – Businessowners Liability Coverage Form

The following is a summary of the changes made to **SB-300000-B (01/07)**:

1. Corrected misspelling of word 'remises' – it should have been 'premises' under Liability And Medical Expenses Limits Of Insurance, Paragraph 2.b.

Sub-Paragraph:	Revision:	Coverage Change Explanation:
2.	<p>The most we will pay for:</p> <p><b>a.</b> Injury or damages under the "products completed operations hazard" arising from all "occurrences" during the policy period is the Products-Completed Operations Aggregate Limit shown in the Declarations.</p> <p><b>b.</b> All other injury or damages, including medical expenses, arising from all "occurrences" during the policy period is the General Aggregate Limit shown in the Declarations.</p> <p>This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.</p> <p>"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.</p> <p>This aggregate Limit does not apply to "property damage" to premises rented to you arising out of fire, lightning or explosion.</p>	<p><b>This results in no change to coverage.</b></p>

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**SB-147036-B (01/07)** – Technology Choice Endorsement

The following is a summary of the changes made to **SB-147036-B (01/07)**:

1. Added Paragraph **8.e.** Business Personal Property at Unnamed Locations

Sub-Paragraph:	Revision:	Coverage Change Explanation:
<p><b>8.</b></p>	<p><b>e.</b> Business Personal Property at Unnamed Locations</p> <ol style="list-style-type: none"> <li><b>1.</b> When the Declarations show that you have coverage for Business Personal Property at the described premises, you may extend that insurance to apply to loss or damage to Business Personal Property at Unnamed Locations, after 60 consecutive days.               <ol style="list-style-type: none"> <li><b>a.</b> We will pay for direct physical loss of, or damage to, Covered Property, other than “money”, “securities”, “Valuable Papers and Records” or accounts receivable, that is located at locations not identified in the Declarations including residences of employees.</li> <li><b>b.</b> The most we will pay under this coverage extension for loss or damage to property is \$25,000 at any location not described in the Declarations including residences of employees.</li> </ol> </li> </ol>	<p><b>This results in an expansion of coverage.</b></p>

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**WITHDRAWN FORMS:**

<b>Form Title:</b>	<b>Form Number:</b>
Employment Practices Liability Coverage Form	SB-300008-A (01/06)



**CNA Plaza Chicago IL 60685-0001**

September 28, 2007

Llyweyia Rawlins  
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RE: Arkansas Objection to 07-F3113

Llyweyia,

Please accept the following as response to your questions in your email dated September 26, 2007. Should you have any further questions please feel free to contact me.

1. We have attached a copy of the Arkansas Changes Endorsement (SB-146915-B 09/07), which addresses the concern with Ark. Code Ann. 23079-203 and Arkansas Bulletin No. 19-89. Please refer to item A. 1. on the Arkansas Changes Endorsement.
2. We have attached a copy of the Arkansas Changes Endorsement (SB-146915-B 09/07), which addresses the concern with the Arkansas Statute of Limitations of the Arkansas General Code, which allows five (5) years in which to commence litigation for this insurance contract. Please refer to item A.2. on the Arkansas Changes Endorsement.

Sincerely,

*Pattie Obrzut*

Pattie Obrzut  
CNA Small Business  
CNA Insurance Companies